

FOR RELEASE March 26, 2014

State of the News Media

Overview

**FOR FURTHER INFORMATION
ON THIS REPORT:**

Amy Mitchell, Director of Journalism Research

Dana Page, Communications Manager

202.419.4372

www.pewresearch.org

About This Report

State of the News Media 2014 report is the eleventh edition of the annual report by the Pew Research Center examining the landscape of American journalism. This year's study includes special reports about the revenue picture for news, the growth in digital reporting, the role of acquisitions and content sharing in local news and how digital video affects the news landscape. In addition, it provides the latest data on audience, economic, news investment and ownership trends for key sectors of news media. The full study is available online and includes a database with news industry trend data and a slideshow about how news functions on social media. This report is a collaborative effort based on the input and analysis of the following individuals. Find related reports about trends in journalism at pewresearch.org/journalism.

Amy Mitchell, *Director of Journalism Research*

Mark Jurkowitz, *Associate Director*

Monica Anderson, *Researcher*

Emily Guskin, *Research Analyst*

Jesse Holcomb, *Senior Researcher*

Dana Page, *Communications Manager*

Diana Yoo, *Art Director*

Michael Piccorossi, *Director of Digital Strategy*

Kenneth Olmstead, *Research Associate*

Katerina Eva Matsa, *Research Analyst*

Jan Lauren Boyles, *Research Associate*

Nancy Vogt, *Researcher*

Michael Keegan, *Graphics Director*

Russell Heimlich, *Web Developer*

About Pew Research Center

Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping America and the world. It does not take policy positions. It conducts public opinion polling, demographic research, media content analysis and other empirical social science research. The center studies U.S. politics and policy views; media and journalism; internet and technology; religion and public life; Hispanic trends; global attitudes; and U.S. social and demographic trends. All of the center's reports are available at www.pewresearch.org. Pew Research Center is a subsidiary of The Pew Charitable Trusts.

Alan Murray, *President*

Michael Dimock, *Vice President, Research*

Elizabeth Mueller Gross, *Vice President*

Paul Taylor, *Executive Vice President, Special Projects*

Andrew Kohut, *Founding Director*

© Pew Research Center 2014

Overview

In many ways, 2013 and early 2014 brought a level of energy to the news industry not seen for a long time. Even as challenges of the past several years continue and new ones emerge, the activities this year have created a new sense of optimism – or perhaps hope – for the future of American journalism.

Digital players have exploded onto the news scene, bringing technological knowhow and new money and luring top talent. BuzzFeed, once scoffed at for content viewed as “click bait,” now has a news staff of 170, including top names like Pulitzer Prize-winner Mark Schoofs, and is the kind of place that ProPublica’s Paul Steiger says he would want to work at if he were young again. Mashable now has a news staff of 70 and enticed former New York Times assistant managing editor Jim Roberts to become its chief content officer. And in January of this year, Ezra Klein left the Washington Post for Vox media, which will become the new home for his explanatory journalism concept. Many of these companies are already successful digital brands – built around an innate understanding of technology – and are using revenues from other parts of the operation to get the news operations off the ground.

Other kinds of new revenue are flowing into news operations as well. A new breed of entrepreneurs – like Jeff Bezos, John Henry and Pierre Omidyar -- are investing their own money in the industry, in some cases creating wholly new entities and in others looking to bring new life to long-standing ones. Among their best credentials – beyond deep pockets – is that they are tech industry insiders and news media outsiders. Philanthropic money has grown as well, in many cases focused on smaller outlets seeking to fill the gap in news coverage left by legacy cutbacks. As recently as March 2014, the Jerome L. Greene Foundation announced a \$10 million grant to New York Public Radio to help build its digital capabilities, an [expressed need](#) among nonprofits.

The year also brought more evidence than ever that news is a part of the explosion of social media and mobile devices, and in a way that could offer opportunity to reach more people with news than ever before. Half of Facebook users get news there even though they did not go there looking for it. And the Facebook users who get news at the highest rates are 18-to-29-year-olds. The same is true for the growth area of online video. Half of those who watch some kind of online video watch news videos. Again, young people constitute the greatest portion of these viewers.

Accompanying this momentum is the question of what it adds up to within the full scope of news that consumers receive. Here the events of the last year get put in some perspective. Our first-ever accounting found roughly 5,000 full-time professional jobs at nearly 500 digital news outlets, most of which were created in the past half dozen years. But the vast majority of bodies producing

original reporting still comes from the newspaper industry. But those newspaper jobs are far from secure. Full-time professional newsroom employment declined another 6.4% in 2012 with more losses expected for 2013. Gannett alone is estimated to have cut 400 newspaper jobs while the Tribune Co. announced 700 (not all of them in the newsroom).

The new money from philanthropists, venture capitalists and other individuals and non-media businesses, while promising, amounts to only a sliver of the money supporting professional journalism. Traditional advertising from print and television still accounts for more than half of the total revenue supporting news, even though print ad revenues are in rapid decline. While seeing some small gains in new revenue streams like digital subscriptions and conferences, total newspaper advertising revenue in 2012 (the last year that full data are available) was down 52% from 2003. Television ad revenue, while stable for now, faces an uncertain future as video becomes more accessible online. What's more, most of the new revenue streams driving the momentum are not earned from the news product itself.

There were a number of other events over the last year for which the impact on citizens is mixed or unclear. Local television, which remains the primary place American adults turn to for news, saw its audience increase for the first time in five years. At the same time, though, there were fewer stations producing original news compared with 2012, primarily the result of television acquisitions that left fewer companies in control of more stations. At this point, fully a quarter of the 952 U.S. television stations that air newscasts do not produce their news programs. Additional stations have sharing arrangements where much of their content is produced outside their own newsroom. And as recently as March 21st another major deal between Media General and LIN was announced that would bring 74 stations in 46 markets under the same ownership. The impact on the consumer seems to vary from market to market, with some markets increasing potential reach by airing news on stations that never had it – even if that newscast is the same one that airs on another local station. In other markets the news has contracted, as news organizations have reduced staff or content production for cost efficiency.

In digital news, the overlap between public relations and news noted in last year's State of the News Media report became even more pronounced. One of the greatest areas of revenue experimentation now involves website content that is paid for by commercial advertisers – but often written by journalists on staff – and placed on a news publishers' page in a way that sometimes makes it indistinguishable from a news story. Following the lead of early adapters like The Atlantic and Mashable, native advertising, as it is called by the industry, caught on rapidly in 2013. The New York Times, The Washington Post and most recently The Wall Street Journal have now begun or announced plans to begin devoting staff to this kind of advertising, often as a part of

a new “custom content division.” [eMarketer predicts](#) that native ads spending will reach \$2.85 billion by 2014.

Many of these publishers initially expressed caution over such ads, with Wall Street Journal editor-in-chief Gerard Baker even [describing it as a “Faustian pact.”](#) In the end, though, many publishers eventually came down with a conclusion similar to Baker’s, who said that he was “confident that our readers will appreciate what is sponsor-generated content and what is content from our global staff,” according to a statement released by The Journal. That may be the case, and it could also be the case that stories created for and paid for by advertisers do not bother consumers as long as they are a good read. At this point, though, there is little if any public data that speak to consumer response one way or the other.

And despite evidence of news consumption by Facebook users—half of whom report getting news across at least six topic areas—recent [Pew Research data](#) finds these consumers to have rather low levels of engagement with news sites. Another question looming over developments in social media is whether the self-selective process combined with algorithmic feeds are narrowing the kinds of information Americans are exposed to.

One of the biggest stories of the year, the NSA documents leaked by Edward Snowden, shined light on yet another area of challenge for journalism in the digital age: easy access to web-based content. It threatens the security of journalists’ communications and their ability to get sources to share information with them, the ultimate impact of which could be the stories that don’t get reported on and delivered to consumers.

A year ago, the State of the News Media report struck a somber note, citing evidence of continued declines in the mainstream media that were impacting both content and audience satisfaction. As indicated above and throughout this report, many of these issues still exist, some have deepened and new ones have emerged. Still, the level of new activity this past year is creating a perception that something important, perhaps even game-changing, is going on. If the developments in 2013 are at this point only a drop in the bucket, it feels like a heavier drop than most. The momentum behind them is real, if the full impact on citizens and our news system remains unclear.

This year’s Annual Report, our 11th edition, set out to examine these shifts—in revenue, in jobs, in technology, in content, in consumer behavior. It is structured a bit differently than in the past – to account for the widening of the industry, the growing influence of technology and new ways of sharing of our data. This year’s report includes four original research reports and two graphical presentations, along with key findings and a searchable database of all the statistics gathered in past years. From these reports, six major trends emerge:

- 1) **Thirty of the largest digital-only news organizations account for about 3,000 jobs and one area of investment is global coverage.** Vice Media has 35 overseas bureaus; The Huffington Post hopes to grow to 15 countries from 11 this year; BuzzFeed hired a foreign editor to oversee its expansion into places like Mumbai, Mexico City, Berlin and Tokyo. The two-year-old business-oriented Quartz has reporters in London, Bangkok and Hong Kong, and its editorial staff speaks 19 languages. This comes amid pullbacks in global coverage from mainstream media. The amount of airtime network evening newscasts devoted to overseas reporting in 2013 was less than half of what it was in the late 1980s. International reporters working for U.S. newspaper have declined 24% from 2003 to 2010. As the new digital native outlets continue to add staff, the country may be seeing the first real build-up of international reporting in decades – save for a few start-ups like Global Post. It could even perhaps be the start—at least in approach—of U.S.-based news outlets that are truly international, both in their audience in the focus of their content.

- 2) **So far, the impact of new money flowing into the industry may be more about fostering new ways of reporting and reaching audience than about building a new, sustainable revenue structure.** The news industry in the U.S. brings in a little over \$60 billion of revenue annually, according to estimates in our report. Advertising, at least for now, accounts for roughly two-thirds of this pie, most of which remains tied to legacy forms. Audience revenue accounts for about a quarter and is growing both in total dollars and in share. But this revenue may also be coming from a smaller—or at least flat—pool of contributors. New kinds of earned revenue streams like event hosting and web consulting account for about 7%, while investment from sources such as venture capital and philanthropy amount to only about 1% of the total. One part of the equation worth exploring is what kind of savings occurs at digital news startups free of the legacy infrastructure, but taking on the newer costs of technology development and maintenance.

- 3) **Social and mobile developments are doing more than bringing consumers into the process – they are also changing the dynamics of the process itself.** New survey data released here find that half (50%) of social network users share or repost news stories, images or videos while nearly as many (46%) discuss news issues or events on social network sites. And with broader mobile adoption, citizens are playing important eyewitness roles around news events such as the Boston bombing and the Ukrainian uprising. Roughly one-in-ten social network users have posted news videos they took themselves, according to the data. And 11% of all online news consumers have submitted their own content (including videos, photos, articles or opinion pieces) to news websites or blogs. Just as powerful, though, are the shifts in how news functions in these spaces. On social sites and even many of the new digital-only sites, news is mixed in with all other

kinds of content – people bump into it when they are there doing other things. This bumping into means there may be opportunity for news to reach people who might otherwise have missed it, but less of that may be in the hands of news organizations. Only about a third of people who get news on Facebook follow a news organization or individual journalist. Instead, stories get shared from friends in their networks. And few Facebook visitors, according to a separate Pew Research study of traffic to top news sites, end up also coming to a site directly. For news providers, this means that a single digital strategy – both in terms of capturing audience and building a viable revenue base – will not be enough.

- 4) **New ways of storytelling bring both promise and challenge.** One area of expansion in 2013 was online news video. Ad revenue tied to digital videos over all (no firm calculates a figure specifically for news videos) grew 44% from 2012 to 2013 and is expected to continue to increase. For now, though, its scale is still small, accounting for just 10% of all digital ad revenue in the U.S. YouTube alone already accounts for 20% of these revenues and Facebook has now entered the digital video ad market and, based on its rapid growth in display ad revenue, is expected to quickly account for a significant portion of these dollars. In terms of audience appeal, one-third of U.S. adults watch online news videos, but that growth has slowed considerably. After a 27% increase from 2007 to 2009, the next four years saw just 9% growth. Again, large distributors of video content like YouTube and Facebook already account for a hefty portion of video watching on the web. Nonetheless, some news providers are making significant investments in digital video. The Huffington Post celebrated the one year anniversary of HuffPost Live, Texas Tribune held a [successful Kickstarter campaign](#) to raise funds for the purchase of equipment to stream live video coverage of the 2014 Texas governor's race, and the multimedia company Vice in early 2014 launched a new multimedia portal just for news stories.
- 5) **Local television, which reaches about [nine in ten U.S. adults](#), experienced massive change in 2013, change that stayed under the radar of most.** Nearly 300 full-power local TV stations changed hands in 2013 at a price of more than \$8 billion. The number of stations sold was up 205% over 2012 and the value up 367%, with big owners getting even bigger. If all the pending sales go through, Sinclair Broadcasting alone will own or provide service to 167 stations in 77 markets, reaching almost 40% of the U.S. population. Sinclair's CEO, David Smith, at the UBS conference in December 2013 expressed an interest in growing even more: "I'd like to have 80% of the country if I could get it. I'd like to have 90%." Much of what is driving these purchases is the growth in fees that local stations are able to charge cable companies for re-airing their content – known by the industry as retransmissions fees. Both Meredith (which owns 13 stations) and

Scripps (which owns 19) said they saw their retransmission revenues roughly triple in the last three years. In terms of programming, a clear result is more stations in the same market being operated jointly and sharing more content. As of early 2014, joint service agreements exist in almost half of the 210 local TV markets nationwide, up from 55 in 2011. And fewer stations are producing their own newscasts. The ultimate impact on the consumer is complicated to assess, but the economics benefit to the owner is indisputable.

- 6) **Dramatic changes under way in the makeup of the American population will undoubtedly have an impact on news in the U.S, and in one of the fastest growing demographic groups – Hispanics – we are already seeing shifts.** The Hispanic population in the U.S. has grown 50% from 2000 to 2012--to 53 million people. Most of that growth has come from births in the U.S. rather than the arrival of new immigrants, reversing a trend from previous decades. As a result, a growing share of the Hispanic population is American-born and a growing number speak English proficiently. In response to these trends, more general-market media companies—like ABC, NBC, Fox and The Huffington Post—have started Hispanic news operations. Since 2010, six national Hispanic outlets have been launched, all of which are either owned in full or in partnership by a general-market media company. Not all of them have been successes, however. Earlier this year, NBC Latino—a website-only outlet—closed, after only 16 months, and CNN Latino, which had both a web and on-air presence, was shut down just a year after its launch. At the same time, Fusion, a joint effort by ABC and Univision, initially described the channel as aimed at Hispanic millennials but later switched to aiming it at millennials more broadly—currently the largest and most diverse generational group in the U.S. As demographic shifts within the U.S. continue, so too will their impact on the news ecosystem.

FOR RELEASE March 26, 2014

Key Indicators in Media and News

**FOR FURTHER INFORMATION
ON THIS REPORT:**

Amy Mitchell, Director Journalism Research

Dana Page, Communication Manager

202.419.4372

www.pewresearch.org

About This Report

This report is a component of the State of the News Media 2014, the eleventh edition of the annual report by the Pew Research Center examining the landscape of American journalism. This year's study includes special reports about the revenue picture for news, the growth in digital reporting, the role of acquisitions and content sharing in local news and how digital video affects the news landscape. In addition, it provides the latest data on audience, economic, news investment and ownership trends for key sectors of news media. The full study is available online and includes a database with news industry trend data and a slideshow about how news functions on social media. This report is a collaborative effort based on the input and analysis of the following individuals. Find related reports about trends in journalism at pewresearch.org/journalism.

Amy Mitchell, *Director of Journalism Research*

Mark Jurkowitz, *Associate Director*

Monica Anderson, *Researcher*

Emily Guskin, *Research Analyst*

Jesse Holcomb, *Senior Researcher*

Kenny Olmstead, *Associate Director*

Katerina Eva Matsa, *Research Analyst*

Jan Lauren Boyles, *Research Associate*

Nancy Vogt, *Researcher*

About Pew Research Center

Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping America and the world. It does not take policy positions. It conducts public opinion polling, demographic research, media content analysis and other empirical social science research. The center studies U.S. politics and policy views; media and journalism; internet and technology; religion and public life; Hispanic trends; global attitudes and U.S. social and demographic trends. All of the center's reports are available at www.pewresearch.org. Pew Research Center is a subsidiary of The Pew Charitable Trusts.

Alan Murray, *President*

Michael Dimock, *Vice President, Research*

Elizabeth Mueller Gross, *Vice President*

Paul Taylor, *Executive Vice President, Special Projects*

Andrew Kohut, *Founding Director*

© Pew Research Center 2015

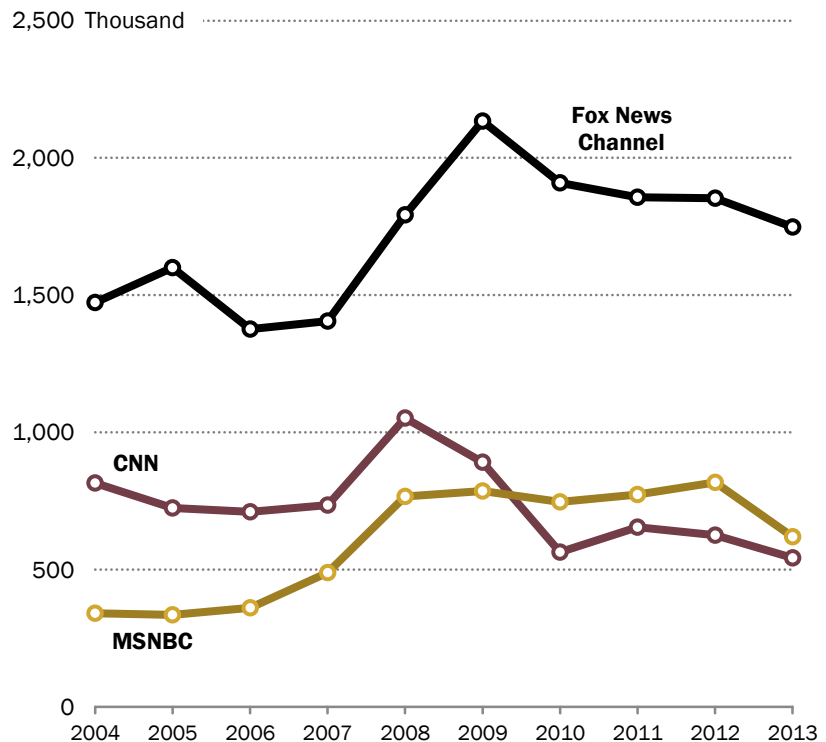
Audience

Cable: In 2013, the cable news audience, by nearly all measures, declined. The combined median prime-time viewership of the three major news channels—CNN, Fox News and MSNBC—dropped 11% to about 3 million, the smallest it has been since 2007. The Nielsen Media Research data show that the biggest decline came at MSNBC, which lost nearly a quarter (24%) of its prime-time audience. CNN, under new management, ended its fourth year in third place, with a 13% decline in prime time. Fox, while down 6%, still drew more viewers (1.75 million) than its two competitors combined (619,500 at MSNBC and 543,000 at CNN).

The daytime audience for cable news was more stable, holding flat at about 2 million viewers across the three news channels. CNN (up 12%) and Fox (up 2%) actually experienced growth here. That was counterbalanced by more deep loses at MSNBC (down 15.5%).

Cable TV Viewership

Cable news median prime-time viewership



Source: Nielsen Media Research, used under license

PEW RESEARCH CENTER

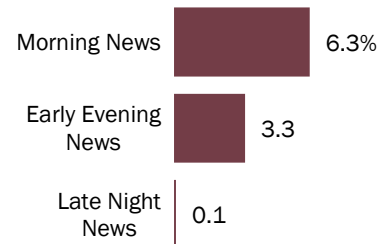
Local TV: After years in decline, local television news showed new signs of life in 2013. Viewership increased in every key time slot. Local morning news (5 to 7 a.m. Eastern Time or equivalent) gained 6.3%, early evening newscasts followed with a 3.3% increase and late night news programs were flat (up 0.1%). This follows declines every year across all time slots from 2008 to 2012, with the exception of a small uptick in 2011. The jump in viewership in the key timeslots was due largely to significant increases in the November sweeps period when morning news was up 12%, early evening grew by 8% and late night increased by 6%.

The 2013 picture was more mixed for Fox broadcast affiliates. Morning newscasts gained 9% more audience on average, continuing the steady growth of previous years. However, late-night viewership continued to decline, although the loss in 2013 was small, just 1.2%. Over the past six years, these programs have lost more than 25% of their viewers, while one of the worst performing traditional time slots, the 11 p.m. newscasts, have lost 17.3% since 2007.

Local news in nontraditional time slots are expanding their audience. The nontraditional early-morning news slots continued to grow. At 4:30 a.m., viewership increased 13% to 2.9 million. Viewership at 4 a.m. increased by 21% on average, to 257,000, following a 19% increase in 2012. Newscasts at midday and following the network news at 7 p.m. added viewers after having lost audience the year before. Midday newscasts saw a 5% increase of their audience and viewership also grew 2% for 7 p.m. newscasts. Though audiences in these time slots are growing, the programs attract far fewer viewers than some of the most popular hours for local TV. Late-night news programs, for instance, averaged 24.3 million viewers in 2013.

Local News Viewership in Key Time Slots

% of change 2013-2012



Source: Nielsen Media Research, used under license

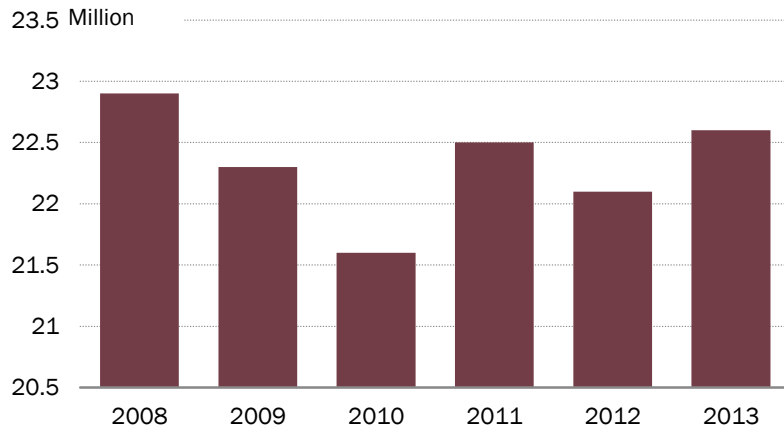
Note: Numbers represent ABC, CBS, Fox, and NBC affiliates.

PEW RESEARCH CENTER

Network: In the evening, an average of 22.6 million viewers tuned into one of the three commercial broadcast news programs on ABC, CBS or NBC, a 2.3% increase over the average viewership for 2012, according to Pew Research analysis of Nielsen Media Research data. The ABC World News increased 2.2% to 7.7 million viewers on average and CBS Evening News increased 6.5% to 6.5 million viewers. NBC Nightly News, the ratings leader, was the only evening news program to decrease, dipping 0.7% to 8.4 million viewers on average.

Network Evening News Audience

Average viewers



Source: Nielsen Media Research, used under license

PEW RESEARCH CENTER

Morning news saw a 6.7% increase in average viewership compared with 2012, to 13.4 million. For years, NBC's Today show led in viewership and ratings, but ABC's Good Morning America took the throne in 2012 and grew its margin of victory in 2013. ABC's Good Morning America increased 11% to 5.5 million viewers on average, CBS This Morning increased 17.9% to 3.2 million viewers and NBC's Today show decreased 3.7% to 4.7 million.

Newspapers: Newspapers increased their total circulation by 3% daily and 1.6% Sunday, according to an analysis by the Newspaper Association of America's John Murray. But that result is influenced by [liberalized reporting rules](#) by the Association for Audited Media and includes both paying visitors to digital platforms and distribution of Sunday insert packages to nonsubscribers.

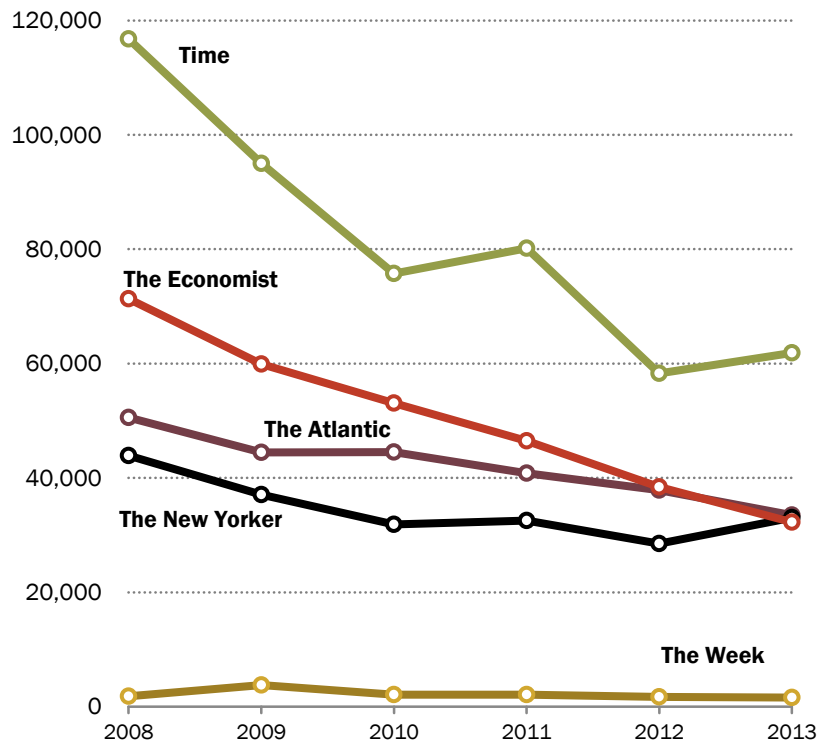
Print now accounts for only 71.2% of daily circulation and 74.9% of Sunday, according to Murray. And Murray's analysis of 15 of the largest newspapers shows that those papers now have just 54.9% of their total circulation in print.

News Magazines:

According to the Alliance for Audited Media, sales of newsstand copies for news magazines, the measure most accepted by the industry, fell 2% on average, following years of declining numbers. In 2013, though, the decrease was smaller than the total industry decline in newsstand sales (11%). The Economist was the hardest hit, losing 16% of its newsstand sales, after a 17% decline in 2012. The Atlantic and The Week were also hit (down 12% and 7% respectively). The New Yorker enjoyed a 16% increase, one of the highest reported in past years. Time posted some significant gains too, up 6% from the year before. Since 2008, when Pew Research started tracking these figures, the news magazines have lost 43% of their single-copy sales on average.

News Magazines' Newsstand Sales

Average single copy circulation



Source: Alliance for Audited Media

PEW RESEARCH CENTER

Subscriptions were flat, as they have been in years past. But these are normally kept from declining through discounts or special offers.

Audio: Traditional radio continues to reach the vast majority of Americans 12 and older, 91% in 2013 (roughly unchanged from 2012), but online listening is where the growth is. According to Edison Media research, fully 33% of Americans reported listening to online radio “in the last week” in 2013, up from 29% in 2012. In addition, online radio listening in cars (long a stronghold of AM/FM radio) rose to 21%, from 17% in 2012.

Another form of nontraditional radio, podcasting, has largely leveled off. The number of Americans who have “ever” listened to an audio podcast was down slightly from 29% in 2012 to 27% in 2013.

The other main non-AM/FM audio platform, satellite radio, saw moderate growth in subscribers in 2013. By the end of 2013, Sirius XM had 25.6 million subscribers in the U.S., up from 23.9 million at year end 2012.

Alternative weeklies: Circulation for the top 20 alternative weekly newspapers declined again in 2013, but at a slower pace than in previous years: 6% in 2013, compared to 8% in 2012 and 14% in 2011.

Digital: The vast majority of Americans now get news in some digital format. In 2013, 82% of Americans said they got news on a desktop or laptop and 54% said they got news on a mobile device. Beyond that, 35% reported that they get news in this way “frequently” on their desktop or laptop, and 21% on a mobile device (cellphone or tablet).

Digital Natives:

Commercial - While commercial digital native sites remain a relatively small part of the economics of the news industry, their digital audience figures compete with those of much larger legacy news organizations. In April, May, and June of 2013, for example The Huffington Post averaged 45 million unique monthly visitors, putting it second only to Yahoo among the top news sites. BuzzFeed.com also fared well with 17 million monthly unique visitors, putting it at roughly the same as The Washington Post with 19 million monthly unique visitors.

Nonprofit - Audiences of noncommercial digital native news organizations vary widely and can be hard to determine because of syndication and partnership arrangements with other news outlets. On the national level, for example, ProPublica, an investigative journalism nonprofit site founded in 2007, had 544,799 unique visitors to its site in October 2012, according to a [Knight Foundation report](#). While that is a 176% increase over October 2010, it probably misses a fair amount as the organization syndicates its content to various news organizations.

There are also regionally oriented outlets like the New England Center for Investigative Reporting with far fewer visitors per month: 2,362 unique visitors in October 2012, according to self-reported data in the Knight report. Still, that was up 87% from October 2010.

At the local level, MinnPost attracted 268,955 unique visitors in October 2012, according to the report, while The Lens, which focuses on New Orleans and Gulf Coast news, reported just 20,177 unique visitors in October 2012 (though again a huge increase - 375% - over October 2010). The variation in these data speaks to both the diversity in the scope of noncommercial digital start-ups as well as the degree to which collaboration and syndicated content may mean that site visits is not the best way to assess total audience.

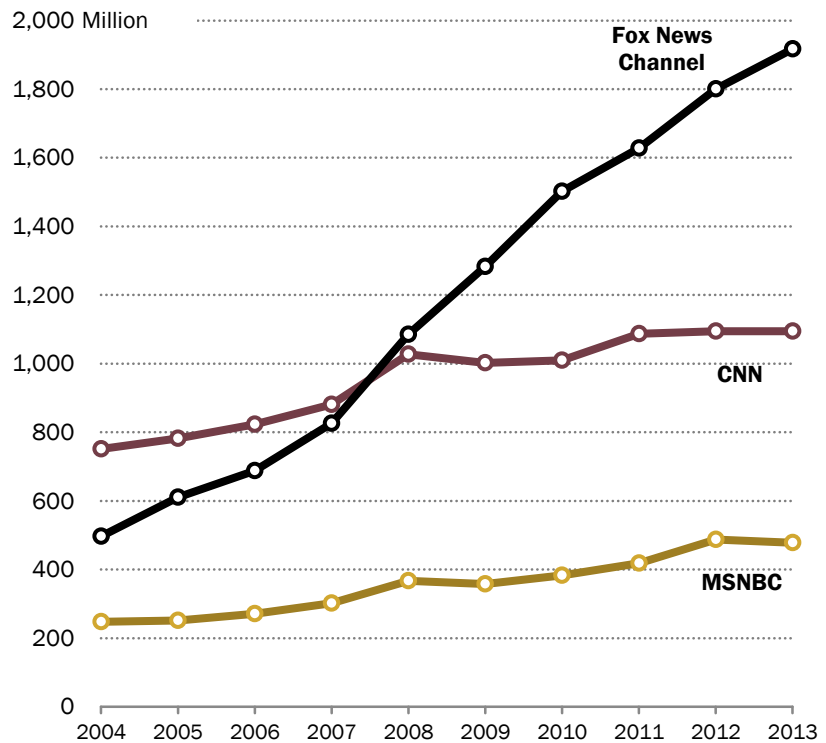
Economics

Cable: The year 2013 was a relatively weak one for economic growth among the cable news outlets. Fox News was projected to increase its total revenue, according to research firm SNL Kagan, by 5% to \$1.89 billion. CNN was projected to increase just 2% to \$1.11 billion, and MSNBC was projected to decline by 2% to \$475 million. Both CNN and MSNBC experienced advertising revenue losses year over year.

Revenue from license fees, which cable channels charge to providers in exchange for the right to carry their programming, continued to grow in 2013, according to projections, becoming a larger part of the revenue pie for the news channels. For CNN, license fee revenue now accounts for 64% of its total intake. For Fox, it is 58%. And for MSNBC, it makes up 51% of total revenue.

Cable News Revenues

In dollars



Source: SNL Kagan, a division of SNL Financial, LLC

Note: All figures are estimates.

PEW RESEARCH CENTER

Local TV: Local TV stations make the vast majority of their revenue from on-air advertising, which typically follows a cyclical pattern of increases in election years and decrease in non-election years. In 2013, total local TV ad revenue was expected to decline 2.5% from election-year 2012, according to BIA/Kelsey, amounting to \$19.7 billion. But this is less of a decline than in 2011, when advertising revenues dropped by about 8% from the year before, and in 2009, when the decline was 22%.

To calculate ad revenue going just to news-producing stations (i.e. stations that include news programming,) we have to go back one year to 2012, the most recent year that BIA has final station-level data. For that year, news-producing stations took in \$17.3 billion in total ad revenue, compared with \$20.2 billion in the industry over all.

This year, Pew Research also estimated what portion of the \$17.3 billion in ad revenues at these news-producing stations is connected to the news programming. Local TV news directors, in an annual survey by Bob Papper, attributed 48.6% of 2012 stations' revenues to news. That would amount to \$8.4 billion in all. Other sources of revenues for the local TV industry have been growing. Retransmission payments have been increasing rapidly in the past decade, according to data from the investment firm Veronis Suhler Stevenson. In 2011, the last year for which there were final data, retransmission revenues equaled almost \$1.5 billion, more than 70 times higher than they had been in 2003 (\$20 million). And VSS projects that revenue will more than double—to about \$3.7 billion—by 2016. In 2013 alone, 21st Century Fox— [created after the split-up of News Corp.](#) — doubled its retransmission revenues. And Nexstar, which owns 108 local stations, reported a 66% increase in its retransmission fee revenues for the fourth quarter 2013, which now account for about 23% of its total revenues.

Digital revenues for the local TV market were forecast to grow 23% in 2013, following 17% growth the previous year, according to Borrell Associates. But, the typical local TV station makes only about 4% of its total revenue from online and mobile ads, according to Borrell Associates.

Newspapers: The Newspaper Association of America has stopped compiling quarterly reports on advertising revenue. Its report for the full-year of 2013 is due within weeks of the release of State of the News Media and will be added to this dataset then. Until then, the most up-to-date figures are from 2012. Overall newspaper revenue declined 52% from 2003 to 2012 to \$22 billion. In the same time, digital advertising grew almost three times to \$3.4 billion – but that increase still did not make up for the huge losses on the print side.

A look at some individual companies suggests more loss for 2013. Gannett reported a 6% decline total ad revenues in 2013. Once again, some gains in digital advertising failed to offset continued declines in print advertising.

Circulation revenue, up 5% industry-wide in 2012, will be expected to stay even or be up by a lower percentage in 2013. Many companies continue to add digital subscriptions and raise rates for a combination of print and digital access. The biggest paywall gains tend to come in the first year with revenues flattening in following years. Many companies are also building other revenue sources like digital marketing services for local businesses, contract printing or events and

newsletters. The Newspaper Association estimates this as 11% of total revenues for the 13 companies that broke out that data in 2012.

News Magazines: For a third year in a row, news magazines faced a difficult print advertising environment. Combined ad pages ([considered a better measure than ad revenue](#)) for the five magazines studied in this report were down 13% in 2013, following a decline of 12.5% in 2012, and about three times the rate of decline in 2011, according to the Publishers Information Bureau. Again, hardest hit was *The Week*, which suffered a 20% drop in ad pages. *The Atlantic* fell 17%, *The Economist* 16%, and *Time* about 11%, while *The New Yorker* managed to keep its ad pages losses in single digits (7%). For print magazines, the number of ad pages sold across the industry over all was down in 2013 (4.1%), after a steep decline in 2012 (8.2%).

Network TV: According to Kantar Media, ad revenue for network television evening news programs increased 2% in the first three quarters of 2013 to \$401 million. ABC's *World News* decreased 3% to \$130 million, the CBS Evening News saw an 11% increase to \$116 million and NBC *Nightly News* remained steady at \$155 million. Revenue for network television morning shows increased 7% in the first three quarters of 2013. At ABC's *Good Morning America* revenues increased 12% to \$260 million and CBS *This Morning* fell 2% to \$108 million. At NBC's *Today* show, revenue increased 6% to \$504 million.

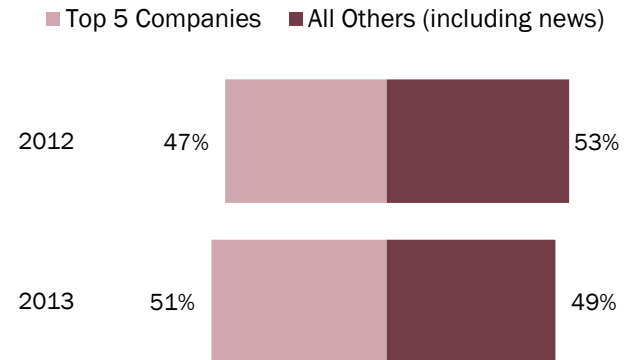
Digital: Total digital ad spending rose to \$42.6 billion in 2013, a 15.7% increase over 2012. But the bigger news was that display made up almost as much of that total as search (which is not a source of revenue for news organizations.) In 2013 display ads accounted for about 42% of the total, or \$17.7 billion, according to eMarketer, and are projected to outpace search by 2015.

While the ascent of display is a good thing for news organizations, the dominance of large tech companies remains an issue. In 2012 the top five display advertising companies made 47% of all display ad revenue on the web; in 2013 that proportion increased to 51%. And while Google had been on top, Facebook overtook the search giant in 2013, taking in 17.9% of all display ad revenue to Google's 16.9%.

Commercial - Much of the for-profit digital news landscape is occupied by private or unincorporated concerns that do not disclose detailed financial figures. But based on publicly available estimates and reports, Pew Research analysts identified a minimum of roughly \$500 million in annual ad revenue from a range of digital news sites. Even that estimate does not include outlets that had been identified, but for whom no revenue estimates were found. That \$500 million figure would account for roughly 1% of all known news ad revenue across U.S. media sectors. While the actual figure is almost certainly higher, even if it were doubled, it would still account for a small fraction of all news revenue in the U.S.

Top 5 Companies Make More than Half of Total Display Ad Revenue

% of U.S. display ad spending



Source: eMarketer

PEW RESEARCH CENTER

Nonprofit - As with the audience for digital native noncommercial sites, discussed above, the economics for these sites also vary, but a 2013 report by the Pew Research Center finds on average total income is quite small and heavily reliant on foundations.

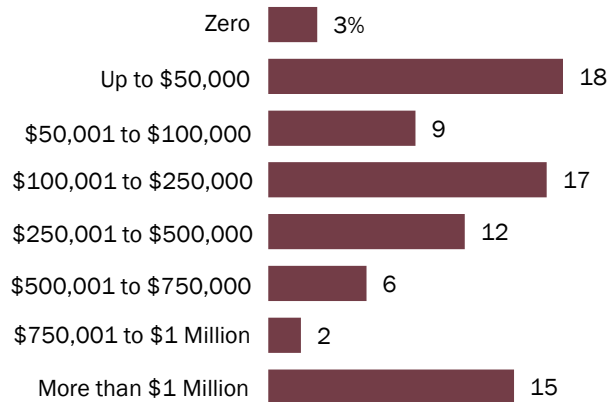
About one-fifth of nonprofits (21%) surveyed by the Pew Research Center in 2012 said they generated \$50,000 or less in annual revenue in 2011, the latest year for which data were available, and 26% took in between \$50,001 and \$250,000. Foundations have been prominent sources of funding, particularly in the form of start-up grants. For many outlets, this initial funding has been difficult to replace. Nearly two-thirds of the survey respondents (61%) began with a start-up grant that accounted for at least one-third of their original funding, and a majority of those grants were for \$100,000 or more. Yet less than a third of those outlets had the funding renewed.

Audio: Traditional AM/FM radio remains heavily reliant on “spot” advertising (ads aired during radio broadcasts) for its revenue, which saw virtually no year-over-year change in the third quarter of 2013 (the most current data available) compared with the third quarter of 2012. Digital and off-air advertising saw increases of 15% and 3% respectively, but is just a drop in the network advertising bucket.

Sirius XM, the only satellite radio provider in the U.S., grew its revenue in 2013 as well. In 2013, Sirius XM had \$3.8 billion in revenue, up from \$3.4 billion in 2012, an 11.7% increase. This follows several years of growth in subscriber revenue after the merger of the two companies (Sirius and XM) in 2007.

A Majority of Outlets Raised \$500,000 or Less in 2011

% of survey respondents



N=93

Survey Dates: Sept. 21-Nov. 17, 2012

Note: 17% of the respondents did not answer the question.

PEW RESEARCH CENTER

News Investment

Local TV: Staffing levels in the local TV sector were expected to be stable in 2013, according to the yearly Hofstra University survey. A majority of news directors expected no change in staff size in 2013, while just a third said they anticipated adding more staff, about the same as the year before. And only 2.5% said they expected to have to cut staff, fewer than the year before.

The average amount of weekday local TV news programming declined by six minutes in 2012, the last year for which data exist, to five hours and 24 minutes, according to the same survey. This follows four straight years of increases in the hours of news, but still puts the average hours at 5.4 in 2012, up 46% from what it was in 2003 (3.7 hours). And weekend programming continued to add time: up 11% on Saturday and 6% on Sunday on average.

One area seeing more news is in the very early 4:30 a.m. time slot. The number of stations airing news at 4:30 a.m. increased 11% in 2013 to 271, up from 245 in 2012, according to Nielsen data. Those stations cut across 120 markets, up from 113 in 2012.

Cable: Under Jeff Zucker, CNN, already a sizable global news operation, was projected to increase its spending more than either Fox or MSNBC in 2013. SNL Kagan estimated that CNN would grow its news investment by 11% to \$757 million in 2013, compared to Fox's increase of 4% (to \$848.5 million) and MSNBC's scale-back by 4% (to \$272 million).

CNN still maintains by far the largest bureau system among the three major news channels with 33 around the world, though the organization laid off at least 40 journalists in late 2013 and lists one fewer domestic bureau than it had the previous year. (Fox lists two fewer bureaus than it did a year earlier, and no updated information was available from NBC News.)

Newspapers: During 2012, the most recent year for which figures are available, full-time professional newsroom employment at newspaper organizations fell by 2,600 jobs, or 6.4%. The total of 38,000 jobs is down 33.2% from its 1989 peak of 56,900, according to the annual census of the American Society of News Editors. Most of that loss was in the last six years. When the organization's census for 2013 is released, more job losses are likely.

According to various sources, including media accounts, several major companies eliminated hundreds of newspaper jobs in 2013—including two companies that began investing more heavily in local television stations. Gannett is estimated to have cut about 400 newspaper jobs while the Tribune Co. announced about 700 cuts, not all of them in the newsroom. Media reports put

newsroom layoffs at The Plain Dealer in Cleveland at about 50 and at The Oregonian in Portland at about 35 in 2013.

In one eye-catching cutback, The Chicago Sun-Times laid off its entire 28-person photography department in 2013, but hired back four photographers in December. Even Aaron Kushner, a California publisher who attracted considerable attention for hiring scores of journalists and investing heavily in print journalism, implemented about 70 layoffs at The Orange County Register and The Press-Enterprise in Riverside early in 2014.

Digital Native:

Commercial - One of the noteworthy developments in 2013 (and early 2014) was the growth of editorial jobs in the expanding world of big commercial digital native news outlets. Rapidly growing BuzzFeed added approximately 170 editorial jobs last year, Gawker's editorial staff grew to 132, almost double what it was two years earlier. Mashable lured former New York Times editor Jim Roberts to oversee its robust investment in news coverage while Yahoo News hired several high profile Times journalists to build up its original content. Henry Blodget's Business Insider hired 15 new people to grow its editorial staff to 70. The founder of eBay, Pierre Omidyar, is building its growing staff at the fledgling First Look Media around Glenn Greenwald, while Ezra Klein's Project X at Vox Media is signing up former Washington Post staffers at a brisk clip. Vice Media, which has expanded from a Montreal punk magazine to a worldwide news operation, now has more than 1,100 total global employees (that includes all staff positions), and as of the deadline for this report, had hired nearly 50 U.S. new employees in 2014 alone.

Not all of the news was good. AOL's network of Patch hyperlocal sites at one time employed about 1,000 reporters and editors but that had been cut back to fewer than 100 by early 2014, signaling the failure of the most ambitious effort to create a universe of digital community news sites under one roof.

News Magazines: In January 2013, Time magazine cut six positions as part of broader wave of layoffs (500 jobs) at Time Inc., the publishing division that houses Time magazine. Those cuts were part of a mandate from Time Warner CEO Jeff Bewkes to shave \$100 million from the publishing division's annual costs. In late 2013, soon after Nancy Gibbs replaced Rick Stengel as Time's managing editor (becoming the first woman to hold that position), Time announced 11 new hires and three promotions. However, in February 2014 Time Inc. proceeded with another round of reductions, reportedly 500 jobs, as part of a restructuring plan to spin off from its parent company, Time Warner.

Audio: News in traditional radio is a hard category to define, one measure being the number of stations that carry news content only. While the number of all-news radio stations in the U.S. remains small, 37 in 2012, according to the latest data available, that number was unchanged from 2011.

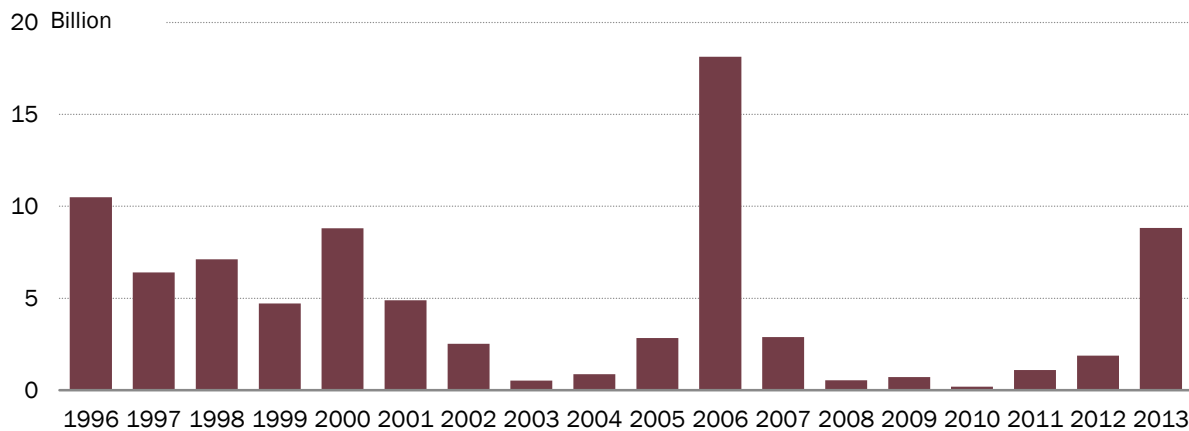
Ownership

Local TV: Local TV station sales exploded in 2013. Nearly 300 TV stations were sold, up 205% from 2012, according to BIA/Kelsey. Likewise, the total value of these transactions was up, a 367% increase in 2013 from 2012, reaching \$8.8 billion.

Sinclair, which already owned more local stations than any other company, purchased 63 more in 2013, the most notable of which were seven stations from Allbritton Communications and 22 from Fisher Communications. Sinclair now operates 167 television stations in 77 markets. The Tribune Co. acquired Local TV Holdings for \$2.73 billion (a total of 19 stations) and Gannett purchased Belo, adding 17 stations, in a \$2.2 billion transaction. BIA/Kelsey attributes this growth to strong political advertising revenues from the previous year, retransmission consent revenues and continued historically low interest rates.

Total Value of Local TV Acquisitions

In dollars



Source: BIA/Kelsey

PEW RESEARCH CENTER

Network: The only major development in the ownership and executive level positions at the three network news divisions in 2013 was the joint venture between Disney/ABC with Univision to create a new cable channel, Fusion. They each own 50% of the channel.

Cable: A process that began in 2012 was completed in mid-2013 when News Corp.—parent of Fox News Channel and Fox Business Network—formally split in two. The movie and TV division containing the news channels was renamed Twenty-First Century Fox Inc. with Rupert Murdoch continuing as chief executive.

In August of 2013, Qatar-based Al Jazeera Media Network launched a new channel aimed squarely at U.S. audiences—Al Jazeera America. It occupies the same space on the dial held by Current TV.

Newspapers: Within days in August of 2013, two venerable newspapers changed hands. Multi-millionaire and Red Sox owner John Henry bought The Boston Globe and another Massachusetts newspaper, The Worcester Telegram & Gazette, from The New York Times for \$70 million. And, Amazon CEO Jeff Bezos acquired The Washington Post for \$250 million. In other transactions, Warren Buffett's Berkshire Hathaway acquired several more newspapers, The News & Record in Greensboro, N.C., and Tulsa World, among them. A. H. Belo sold one its four newspapers – The Press-Enterprise in Riverside, Calif., and plans to sell The Providence Journal in Rhode Island. That will leave just its flagship Dallas Morning News and the nearby Denton Record-Chronicle. Tribune Co., on the other hand, pulled eight of its papers off the market in 2013, after failing to fetch an attractive offer. Tribune now plans to spin them off into a separate company.

Commercial Digital Natives: Unlike other sectors studied here most commercial digital native sites are privately held companies and in 2013 saw little movement. One notable development, though, was AOL's dropping of the hyperlocal news network Patch. Patch was founded by AOL CEO Tim Armstrong in 2007, at first independent of AOL but then acquired by it in 2009.

In 2009 and 2010, AOL hired 900 employees, Armstrong said, with half of them going to Patch. By early 2011, Patch sites were up and running in about 800 cities and towns across the U.S. Despite this aggressive growth, and plans being made to hire for 1,000 Patch sites by the end of 2011, [Armstrong drew back](#), saying in early 2012, "We don't have a massive number of Patches on a run-rate profitability, and some of them have bounced in and bounced out."

Despite the early growth at Patch and investment by AOL the company's business model quickly came under criticism. In May, 2012 Starboard Value (an investment firm that owned 5.3% of Patch at the time) released a report calling Patch's business model unsustainable. The report offered some rare estimates of Patch's finances, which showed that the company had lost \$147 million in 2011 and only brought in \$13 million in advertising revenue.

Over the course of 2013, Patch suffered more losses. In August 2013 AOL announced the closing of 400 of the 900 Patch sites that existed at the time. Finally, in early 2014, AOL dropped Patch entirely and sold majority ownership of the remaining sites to Hale Global.

News Magazines: In March 2013, Time Warner announced that it would spin off Time Inc. into a separate publicly traded company. In March of 2014, these plans seem to be in full effect as Time Inc. prepares to separate from Time Warner. In the meantime, Time Inc. has been integrating American Express Publishing, which it bought last year.

FOR RELEASE March 26, 2014

The Revenue Picture for American Journalism, and How It Is Changing

**FOR FURTHER INFORMATION
ON THIS REPORT:**

Amy Mitchell, Director of Journalism Research

Dana Page, Communications Manager

202.419.4372

www.pewresearch.org

About This Report

This report is a component of the State of the News Media 2014, the eleventh edition of the annual report by the Pew Research Center examining the landscape of American journalism. This year's study includes special reports about the revenue picture for news, the growth in digital reporting, the role of acquisitions and content sharing in local news and how digital video affects the news landscape. In addition, it provides the latest data on audience, economic, news investment and ownership trends for key sectors of news media. The full study is available online and includes a database with news industry trend data and a slideshow about how news functions on social media. This report is a collaborative effort based on the input and analysis of the following individuals. Find related reports about trends in journalism at pewresearch.org/journalism.

Jesse Holcomb, *Senior Researcher*
Jan Lauren Boyles, *Research Associate*
Emily Guskin, *Research Analyst*
Mark Jurkowitz, *Associate Director*
Katerina-Eva Matsa, *Research Analyst*
Amy Mitchell, *Director of Journalism Research*

About Pew Research Center

Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping America and the world. It does not take policy positions. It conducts public opinion polling, demographic research, media content analysis and other empirical social science research. The center studies U.S. politics and policy views; media and journalism; internet and technology; religion and public life; Hispanic trends; global attitudes and U.S. social and demographic trends. All of the center's reports are available at www.pewresearch.org. Pew Research Center is a subsidiary of The Pew Charitable Trusts.

Alan Murray, *President*
Michael Dimock, *Vice President, Research*
Elizabeth Mueller Gross, *Vice President*
Paul Taylor, *Executive Vice President, Special Projects*
Andrew Kohut, *Founding Director*

© Pew Research Center 2014

Overview

In 2013, the business of journalism saw another twist in its digital evolution: An influx of new money – and interest – from the tech world.

At this point, professional newsgathering is still largely supported by advertising directed to such legacy platforms as print and television and, secondarily, by audience revenues (mostly subscriptions). But other ways of paying for news are becoming more visible. Much of the momentum is around this high-profile interest from the tech world, in the form of venture capital and individual and corporate investments, which bring with them different skill sets and approaches to journalism. Philanthropy is growing, too, particularly as a source of capital for regional and investigative journalism. These newer investments—many of which are ‘unearned revenue’—do not yet represent a sea change in the business model. But they do signify a pivot in the news world. More than the sum of dollars and cents, this funding patchwork serves as a series of signposts pointing toward the ways journalism may be paid for in the years to come.

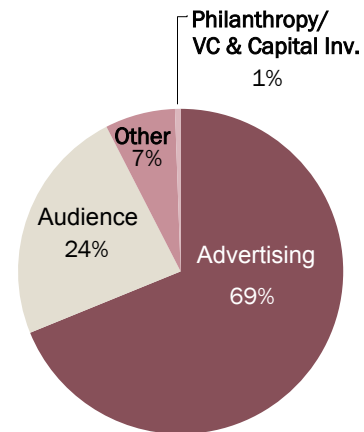
As an industry, news in the U.S. generates roughly \$63 billion to \$65 billion in annual revenue, according to Pew Research analysis of official filings, projections by financial firms and self-reported data.¹ While admittedly an estimate, the figure provides a sense of scale: The global [video game industry](#) takes in about \$93 billion a year. Starbucks [reported](#) \$15 billion in 2013 revenues and Google alone [generated](#) \$58 billion that year.

Much like the creative financing deals in post-recession commercial real estate, the financial support for journalism has become more complex and more varied. Just in the last year, the industry saw the viral content website BuzzFeed’s investment in original investigative and foreign reporting, Amazon founder Jeff Bezos’ purchase of The Washington Post with the promise of

¹ An estimate of profits—revenues minus expenses—would yield a number substantially smaller than that of total revenue for the news industry. While both figures are valuable, revenue estimates are much more widely available.

Financial Support for News

% of total news dollars generated by key sources



Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data.

PEW RESEARCH CENTER

“runway” money to allow the newspaper to grow, Vox Media’s capital investment in Ezra Klein’s explanatory journalism project, and eBay founder Pierre Omidyar’s [projected](#) \$250 million investment in the creation of First Look Media.

Much of this new investment is from people and organizations native to digital. They understand technology innately and succeeded there first, before moving into news. Much of it also comes from deep pockets that can potentially allow for some failure and loss during experimentation.

It is far too early to know whether efficiencies created by digital tools, business practices and newsgathering sensibilities will be enough to make up for the gaps left by declines in legacy resources. But, this report attempts, as best as possible, to place a wide variety of revenue streams and investments in context, providing a broad picture of the mix of financial support for professional newsgathering in the United States. While some data remains unavailable for public scrutiny, this report represents the most holistic—and up-to-date—known accounting of revenue specifically for news.

Among the findings:

- **Advertising, at least for now, still accounts for the majority of known news revenue—a little over two-thirds, by this reckoning.** But the advertising-supported business model is in a state of churn. Print advertising continues its sharp decline. Television advertising currently remains stable, but the steady audience migration to the web will inevitably impact that business model, too. Digital advertising is growing, though not nearly fast enough to keep pace with declines in legacy ad formats. And, while new forms of digital advertising gained momentum in 2013, the online advertising market seems to favor a scale achievable only by few.
- **Audience revenue is the next largest source of income for the industry, accounting for about a quarter of the total news pie** through subscriptions, cable fees and individual giving. It is growing—both as a dollar figure and as a share of the whole. But audience-driven revenue growth does not necessarily signify that more people are paying for news. Rather, the data suggest that, in aggregate, more revenue is being squeezed out of a shrinking—or at least flat—base of paying consumers.
- **Personal wealth, capital investment and philanthropy are all growing, but are still a small slice of that pie.** Venture capital from angel investor groups and the like has added at least \$300 million over the past year to digital operations that are investing in editorial content. That venture capital, along with revenue generated with other content,

allowed brands to build and expand original newsgathering operations. Foundation support for public radio, as well as scores of digital nonprofit outlets, added roughly \$150 million. While not earned revenue, these different streams account for approximately 1% of all known financial support for news.

- **Other earned revenue streams—such as event hosting, marketing services and web consulting, could become a critical component to the broader, long-term picture.** For now, these various streams remain small, accounting for about 7% of the whole.

The job of piecing together the dollars currently supporting U.S. journalism is a complicated one. The revenues analyzed here include earned revenue from advertising (both legacy and digital), audience payments, smaller streams like events, marketing services and content licensing or syndication, as well as financial support from philanthropic organizations, individuals and private capital. More difficult to account for are capital investments from companies, many of them technology firms, into original newsgathering under their own roof. Researchers collected solid revenue information where available and sought out estimates when necessary, although in some cases even estimates were not offered by these companies. For many segments, the latest available year-end data come from 2012. Where possible we have included year-end 2013 figures.

The sources of data include research firms, trade associations and news organizations themselves. Some media sectors, particularly legacy and institutional ones such as newspapers and cable TV, offer more detailed data going many years back. In other sectors, like print magazines and local TV, long-standing accounting practices make it difficult to separate out news revenues from broader corporate figures, but we have done our best to do so here. And the arena of news reporting native to the digital space—whose contours continue to evolve—offers little in the way of tidy economic data, especially within digital companies where journalism is but one part of a broader content portfolio. Data from these sources often came via publicly available third-party estimates and self-reported figures found in published news reports. Not included in this accounting are digital technology firms like Google and Facebook that have become deeply entwined in the distribution of news, but do not produce their own original, professional reporting. And given this report's focus on the general news audience, custom information platforms and the specialty subscription publications such as Bloomberg or Crain's were not studied here.

This is a report on the shifting balance of American news revenue. Past editions of the State of the News Media included deep analysis of how individual media sectors fund their operations. All of that data are still available in our Media and News Indicators Database. But as the convergence of

platforms accelerates, it has become increasingly clear that certain economic trends are not isolated to television, print or radio. And where there are differences, those differences are instructive.

Revenue Sources: A Heavy Dependence on Advertising

Even under duress, advertising remains by far the most critical revenue stream for the U.S. news media as a whole.

More than two-thirds (69%) of all domestic news revenue is derived from advertising. That amounts to roughly \$43 billion of the \$63 billion accounted for in this report, according to the most recent annual figures.²

Legacy media, which for much of the 20th century were the de facto way for advertisers to reach consumers, still command the majority of ad dollars.

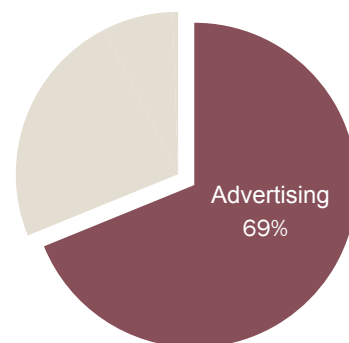
Daily newspaper advertising—print and digital combined—represents more than half (58%) of all the known advertising revenue tied to journalism, about \$25.2 billion according to the Newspaper Association of America (2012 figures).³ Still, the total is only about half of what it was in 2005, when advertising dollars peaked for the newspaper industry at \$49 billion (and 82% of total newspaper revenue).

Nearly a third of the total advertising revenue tied to journalism comes from television. Revenues generated by news programming on cable and broadcast, including national and local network affiliates, and their websites, now total roughly \$12.8 billion annually with more than two-thirds coming from local TV. That represents 30% of the total news-related ad revenue identified by Pew Research analysts, and includes estimates for digital revenue tied to the legacy product.

Local TV, buoyed by stabilizing audiences and big increases in the money spent on political ads, took in \$17 billion in advertising revenue alone in 2012, among the more than 800 news-producing stations that were identified for this analysis. Pew Research estimates that \$8.4 billion

Advertising Share

% of financial support for news



Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data.

PEW RESEARCH CENTER

² While we estimate a range of total revenue, the \$63 billion figure represents the low end of the range in terms of the total revenue sums that were identified and gathered. Throughout the report, when percentages of the whole are given, the 'whole' is \$63 billion.

³ This figure includes the 'direct marketing' category, which amounts to \$2.9 billion.

of that sum is tied to news—a number that is closer to \$8.8 billion when digital advertising estimates are factored in.^{4 5}

About \$1.9 billion is generated from advertising on the three major broadcast network newscasts, according to custom data provided to Pew Research by Kantar Media, along with digital projections for broadcast networks by VSS.⁶

And among the dozen cable channels focused on general news that were studied by Pew Research, \$2.2 billion to \$2.5 billion came from advertising in 2013, according to the research firm SNL Kagan and Pew Research estimates.⁷ (Of these three television platforms, cable relies the least on advertising for its business model, which draws substantial sums from cable fees. See below for a sector-by-sector breakdown.)

Another broadcast medium—commercial news and talk radio, which airs the daily programming of hosts such as Rush Limbaugh and Ed Schultz—brought in \$1.6 billion in advertising revenue (its primary source of income) in 2012 from 971 such stations, according to BIA/Kelsey. That amounts to 4% of all known news-related ad revenue in the U.S. media landscape.

Noncommercial news media—which includes public radio (such as NPR) and nonprofit digital platforms (ProPublica, Texas Tribune) as well as The Associated Press—is a diverse cohort of journalistic organizations bound together, effectively,

Advertising Across News Sectors

Annual ad estimates based on publicly available data

Sector	Annual Ad Revenue	% of Industry-wide Ad Revenue
Daily newspapers	\$25.2 billion	58
Weekly newspapers	\$2.7 billion	6
News magazines	\$300 to \$800 million	1
Local TV news	\$8.8 billion	20
Network TV news	\$1.9 billion	4
Cable news	\$2.2 to \$2.5 billion	5
Radio news/talk	\$1.6 billion	4
Noncommercial news*	\$200 million	<1
For-profit digital native	\$500 to \$700 million	1
	\$43 to \$44 billion	
Total		100%

Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data

Note: Figures represent the most recently available data (2012-2013). Numbers may not equal 100% due to rounding.

* Sponsorship revenue included here.

PEW RESEARCH CENTER

⁴ The local TV news revenue figure is estimated by taking the revenue sum of all stations with a news director, as listed by BIA/Kelsey, and applying the survey finding from the RTDNA/Hofstra University study of news directors, which found that 49% of all station revenue comes from news.

⁵ This number was derived from Pew Research analysis of BIA/Kelsey data—commercial, local TV stations listing a news director, running in an English-language format.

⁶ For more current network news ad revenue estimates, see Key Indicators in Media and News (2013 figures were not included in this chapter, which relied on more complete 2012 data).

⁷ The cable channels analyzed here are all national news outlets. But there are also some local cable outlets, not analyzed in this report, NY1 in New York and NECN in New England for example, that are heavily news-focused.

by a tax status. At this point, advertising and sponsorship amount to about \$200 million in a year, making it a small source of revenue for these outlets, and a tiny fraction of the wider news industry advertising.

How much advertising revenue is coming from the many digital news startups and entrepreneurial journalism initiatives that have emerged in recent years? This collection of sites—call them the “for-profit digital natives”—are not counted by trade associations as TV stations are, audited as newspapers are, or required to submit 990 government tax forms as public radio stations are. Given the range of operations and models—from high-traffic sites like The Huffington Post to local startups like The Batavian (Genesee County, N.Y.)—there is no simple way to arrange these digitally native news operations into an exhaustive category. The fact that many of these digital brands are private companies that do not typically release their finances publicly adds another layer of complexity. Nevertheless, the available data and deeper inquiry by Pew Research provide some clues.

A number of for-profit digital news operations, whose businesses are based largely on advertising, have released their own internal overall revenue figures—\$175 million at Vice Media, upwards of \$20 million at Business Insider, \$10 million to \$15 million at Mashable. For other digital news properties, market research firms and financial journalists have estimated annual intake—\$100 million at The Huffington Post, \$60 million at BuzzFeed, \$15 million to \$20 million at Gawker, and so on.⁸ Other attempts have been made to assess the revenues generated by the much longer tail of small, local and hyperlocal digital news outlets. The most in-depth attempt to date—a [survey](#) by journalist Michele McLellan—found that among 44 such sites (excluding nonprofits), 2013 revenues amounted to about a combined \$5 million.

All told, analysts identified roughly \$500 million in annual ad revenue for these for-profit digital news outlets.⁹ The actual intake is almost certainly higher than that, because there are many digital news businesses for which even estimates are unavailable. But even if that figure were doubled, revenue derived from this sector would not amount to any more than 1% to 2% of all news ad revenue accounted for in the U.S. media system. While advertising accounted for most of the revenue identified for this sector, some digital news operations are moving aggressively into other revenue opportunities, such as events and premium subscriptions, described in further

⁸ Pew Research staff attempted to contact a number of highly-trafficked news website publishers to obtain or confirm revenue figures; these requests either did not receive a response, or else a spokesperson declined to comment.

⁹ Kantar Media provides an estimate for news-related display advertising, which, for digital-native content, amounts to \$2 billion. This estimate almost certainly includes web properties that fall beyond a standard definition of news. The business news category, for instance, includes financial investment services.

detail below. And others have benefited from an influx of venture capital, subsidies from other products within the company and direct owner investment.

Ad revenues from legacy news magazines are also difficult to assess, as the standard estimates based on rate card data are known to be [heavily inflated](#). In past analyses, Pew Research has instead relied on number of ad pages to provide a more accurate sense of growth or decline year to year. But to get a sense of even the range of total revenue for this sector, the Center relied on publicly available estimates for specific publications and projected a possible range of about \$550 million to \$1.4 billion, with the upper limit being an estimate derived from rate card figures.¹⁰ And to get a sense of how much of that comes from advertising, we turned to market research firm VSS, which estimates that 59.5% of consumer magazine revenue—which includes news magazines—comes from print and digital advertising.¹¹ Using that estimate, the ad revenue generated from legacy news magazines most likely falls within the \$300 million-to-\$800 million range.

Another print sector—weekly newspapers—generates a majority of its revenue from advertising, according to estimates from research firm SNL Kagan. The firm projects that 76% of weekly newspaper revenue— \$2.7 billion—comes from ads.

There are three other news media sectors where revenue figures of any kind—let alone advertising estimates—were simply not obtainable: local cable news operations, city and regional magazines, and news organizations geared toward specific ethnic groups.

While local cable news outlets—such as NY1 in New York and NECN in New England —are a part of the local TV ecosystem, gathering concrete financial data on these types of stations is a challenge (not even a comprehensive list of such stations was available from the Radio Television Digital News Association, the industry group to which local cable outlets belong). City and regional magazines—such as Washingtonian Magazine or St. Louis Magazine—are also difficult to track. A representative of the City and Regional Magazine Association told Pew Research that these publications are “nonpublic in every sense of the word” and, as such, the association does not track revenue in any systematic fashion. And while some ethnic publications may be included in SNL Kagan’s accounting of weekly newspapers, there are no systematic financial data for this sector as a whole.

¹⁰ Time magazine was estimated to have generated \$497 million in 2012 (including advertising and circulation) and The Week was estimated to have generated \$50 million. While the number of ad pages for these and other news magazines (a proxy for financial health) are available, dollar figure estimates were not.

¹¹ Veronis Suhler Stevenson Industry Forecast 26th Edition, 2012-2016.

Audience Revenue

The second-biggest source of revenue for the industry comes from the paying public, accounting for 24% of total known news-related revenue, according to Pew Research estimates. This includes circulation revenue as well as license and retransmission fees, which also come out of consumers' pockets in the form of cable bills, along with individual giving, typically to noncommercial media outlets.

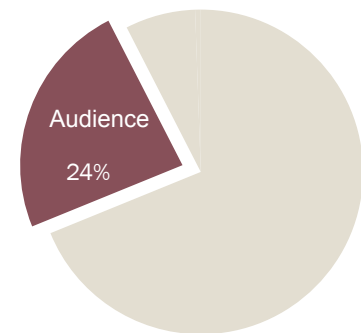
Most audience revenue comes from daily newspaper circulation. Print and digital revenue combined came to \$10.4 billion in 2012, according to Newspaper Association of America figures. (To date, the industry has not released digital subscription revenue figures as a category, although some individual newspapers, like The New York Times, do). That number amounts to 69% of audience revenue tied to American newsgathering. In total dollars, it is also a number that has begun to grow, after years of decline, as newspapers have experimented with new pricing strategies for print editions and implemented digital subscription plans. It is now estimated that around 500—and possibly more—U.S. dailies have implemented or are planning to implement such a plan.

Aside from newspapers, the biggest slice of audience revenue in the news industry comes from the monthly TV bills—cable, satellite and the like—paid by 100 million American households (a number that has tapered off recently).

All cable channels, including news channels, charge a fee each month to cable providers like Comcast in exchange for the provider's right to carry those channels in their packages. Providers, in turn, pass along those fees to consumers in the form of their monthly bills. Among the 12 news channels studied for this report—including CNN, Fox News Channel, MSNBC—license fee revenue amounted to an estimated \$2.8 billion in 2013, accounting for the majority of TV audience revenue as well as about half of cable news channels' total revenue.¹²

Audience Share

% of financial support for news



Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data.

PEW RESEARCH CENTER

¹² Channels studied in this report were CNN, Fox, MSNBC, HLN, CNN International, CNBC World, Bloomberg TV, CNBC, Fox Business Network, BBC World News, C-SPAN and Al Jazeera America.

In recent years, local TV station groups and the major networks have negotiated similar agreements with cable providers whereby they receive a fee for service that is charged to cable customers. Known as retransmission fees, this new revenue stream is the first significant supplement to advertising that the broadcast TV sector has seen. VSS estimates that 3.6% of broadcast TV revenues derive from these fees.¹³ To provide an estimate of how much money this amounts to for news, Pew Research calculated an additional 3.6% on top of the 2012 ad revenue figure. This amounts to about \$327 million. Slightly less than half that amount is then paid to the parent networks, leaving about \$176 million in additional revenue to local station newsgathering efforts.

Aside from retransmission fees, which have been growing rapidly and are projected to continue growing in the coming years, at least [one local TV station—Cincinnati’s WCPO.TV](#)—has begun charging for access to its digital video stream, though the total dollars there at this point are negligible.

A number of for-profit digital native news operations have begun experimenting with digital subscriptions. Andrew Sullivan’s website, The Dish, does not host advertising, but through [\\$20 annual subscriptions](#), the site generated \$875,000 in 2013. The Honolulu Civil Beat, launched in 2010 by eBay founder Pierre Omidyar, charges [\\$10 per month](#) for access, and is supplemented by advertising revenue.

Some specialty sites, offering premium content to users willing to pay higher fees, charge more. (Revenue estimates for these are not included in this report, which focuses on news for a general audience.) Politico Pro, launched in 2011, offers policy analysis and news for packages that start at [\\$3,295 per year](#). Business Insider and Capital New York operate such higher-cost subscription

Audience Revenue Across News Sectors

Annual audience revenue estimates based on publicly available data

Sector	Annual Audience Revenue	% of industry-wide Audience Revenue
Daily newspapers	\$10.4 billion	69
Weekly newspapers	\$850 million	6
News magazines	\$200 million to \$600 million	1.5
Local TV News	\$300 million	2
Network TV News	\$150 million	1
Cable news	\$2.8 billion	18.5
Non-commercial news	\$400 million	3
For-profit digital native	\$4 million to 5 million	<1
Total	\$15 billion	100

Source: Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data

Note: Figures represent the most recently available data (2012-2013). Numbers may not equal 100% due to rounding.

PEW RESEARCH CENTER

¹³ The 3.6% figure is a projection for 2012—used here to maintain a level of consistency with other 2012 TV revenue data. For more data on retransmission fees, including revised 2011 figures, visit Key Indicators in Media and News.

services that, even with a small subscriber base, could become a significant pillar of these web-based business models.

There is no complete accounting of the number of for-profit digital news outlets that have adopted subscription models, but total revenues are likely small at this stage. Even among the largest entities, the total dollar amounts are small relative to other revenue streams and a survey of hyperlocal news publishers suggests the smaller local outlets do not boost the total in any significant way. Only one out of 44 hyperlocal for-profit sites [surveyed](#) by McLellan said that subscriptions accounted for at least 50% of their site's total revenue.

In the noncommercial realm, which includes digital nonprofits as well as public broadcasting, much of the audience revenue comes from voluntary contributions, which, while amounting to just 3% of all audience revenue in the broader news industry (about \$418 million), makes up nearly a quarter of all revenue for noncommercial journalism. It is often a crucial part of the mix, and is considered by analysts to be fundamental to future sustainability. Within the noncommercial journalism sector, the vast majority of individual giving is directed to the 1,000-plus public radio stations around the country—an estimated \$405 million, according to the Public Media Futures Forum. Other recipients of charitable giving (\$15 million) include the roughly 100 digital nonprofit organizations, such as ProPublica and Texas Tribune that provided data to Pew Research.¹⁴

Legacy print magazines and some nondaily newspapers draw audience revenue, too. Among weekly newspapers (many of which do not charge for their papers), subscriptions bring in about 24% of overall revenue, a slight increase over past years. And VSS estimates that somewhat less than half of the revenue for consumer magazines—a category that includes a small cohort of legacy news publications—is derived from subscriptions, both print and digital.

¹⁴ NPR receives contributions as well, but in the financial data they shared, did not disaggregate grants and contributions.

Other Earned Revenue Streams

The continued pressures on audience and advertising revenue have led some news producers to begin to experiment with other forms of earned revenue, some of which are tied directly to the news product and some of which are not. These include events, digital marketing services, e-commerce, content licensing and even commercial printing and delivery. For now they account for a relatively small piece of the revenue pie: 7% of total estimated news revenues.

Events

Event-hosting has become a prominent part of the conversation about the future sustainability of journalism. Revenue potential here is two-fold, streaming in from corporate sponsorships and ticket sales. Once again, hard numbers are scarce, given that many news companies do not break out events in their earnings reports. The evidence on record suggests that this category remains small, but for some is an important part of the pie.

Tech sites have traditionally been leaders in the event arena.

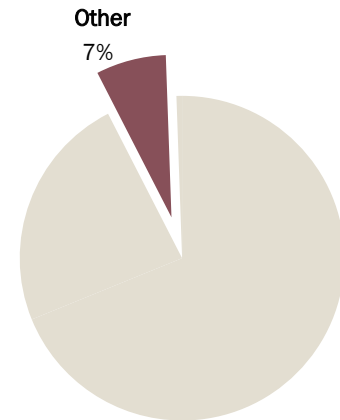
Before its rebranding, AllThingsD [charged \\$5,500](#) to attend its spring conference, and in May 2013 generated \$2.75 million from ticket sales alone (corporate sponsors are said to add more revenue to the event even than tickets do). And TechCrunch Disrupt events have [become an important part](#) of that company's revenue portfolio, with one "quite profitable" event in San Francisco charging \$2,000-\$3,000 per ticket.

Print publishers have been active in this space, too. The New York Times hosted 16 events in 2013, up from just one in 2011, and plans [to continue them](#) in 2014. The Chattanooga Free Press has built events into its business model and [now generates 14%](#) of its annual revenue from them, a figure "well into seven figures," according to industry analyst Ken Doctor. Atlantic Media puts on more than 200 events a year and [garners 20%](#) of the company's total revenue. And The New Yorker Festival has been a Manhattan mainstay for more than a dozen years.

Events have become a significant revenue stream for some nonprofit outlets. A recent [Pew Research survey](#) of nearly 100 digital nonprofits found that 28% generated at least some revenue from events in 2011, amounting to roughly \$1.3 million. (Here The Texas Tribune is a leader. In

Other Share

% of financial support for news



Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data.

PEW RESEARCH CENTER

2013, the nonprofit brought in more than \$1 million in events.) A 2013 Knight Foundation [report](#) profiling 18 digital nonprofit news outlets, found that events accounted for just 4% of the total revenue pie in 2012, also about \$1.3 million. That number was up just slightly from \$1.1 million in 2011.

As with other financial details, most private media companies are reluctant to share information on revenue generated by events, and so it is hard to know how much of an impact they are having on the industry revenues. A report produced by the Newspaper Association of America in April 2013 found that seven of 15 newspaper companies that reported detailed data on different revenue categories said they generated revenue from events. However, event revenue dropped 9% year-over-year for those companies.

Such a drop serves as a reminder of the inherent fragility of the event business. As SNL Kagan senior analyst Derek Baine noted in an e-mail message to Pew Research Center, the event sector tends to be cyclical and is not recession-proof.¹⁵ While events may be a growing revenue generator, and an important supplement to other revenue streams, they do not come with guarantees.

Marketing Services and Ad Networks

A number of news organizations have brought online marketing services for local business into their revamped business model. Newspaper companies see themselves as well positioned to provide these services since they already have many local business clients and have had to do some of this work on their own in the past. The Santa Rosa (Calif.) Press Democrat launched its version of this in October 2011. In its first year, the effort accounted for 25% of the paper's digital revenue and was expected to grow revenue by about 60% in 2013. Other efforts, including those of The Dallas Morning News and the Gannett chain, have industry taking notice. A Newspaper Association of America study found that among nine companies that had developed digital marketing services, revenues in that sector rose 91% from 2011 to 2012. And on the television side, LIN Media, which operates 43 local stations, acquired Federated Media, a digital marketing company, in early 2014.

Several news organizations have created their own ad networks as an alternative revenue stream. Digital First Media is one of these, having launched AdTaxi, a private exchange advertising network, in 2012. The idea here is that a news publisher takes over the broker role in the advertising market, helping clients place ads themselves.

¹⁵ E-mail message from March 2, 2014.

Other newspapers, such as The Columbia (Tenn.) Herald, have created online ticket sales programs that allow customers to buy tickets to shows, concerts and sporting events, with the newspaper taking a commission on each transaction. The Herald started this in 2012.

At the community level, some small town and rural papers are trying to bring in more revenue by publishing things like real estate guides, phone directories or niche newspapers, says the Newspaper Association of America's Tonda Rush. One now circulates a Civil War newspaper throughout the country. Others have opened small stores in their towns. "Office supply stores are not uncommon," says Rush, and one community newspaper even opened a fudge shop in the front of its office.

Personal Wealth, Capital Investments and Philanthropy

As advertising has shrunk in recent years and audience revenue has not fully closed the gap, another patchwork of investments has grown considerably--suggesting, perhaps, new models for funding the journalism of the future. Wealthy individuals have purchased or created new journalism outlets with personal funds. Companies initially built as technology firms have used their earnings to bring original reporting into the mix of their offerings. And philanthropy from foundations and in the form of major gifts has grown the nonprofit journalism sector.

For now, the total known investments from these individuals and organizations amounts to a tiny fraction—about 1%—of the total identified financial support for news over the past year. But they have created significant interest and buzz for an industry looking for not only an infusion of cash, but for new ideas as well. With much of this investment flowing to digital news outlets without their own legacy baggage, new ideas about how to produce and distribute journalism are being given the chance to flourish. That represents a psychological development perhaps more profound than the dollar figures alone would suggest.

A New Kind of Owner

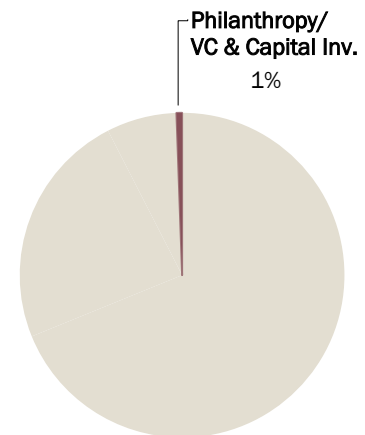
Media companies change hands all the time, but since 2012 a number of notable transactions have surfaced a different type of owner, one that invests in the newsroom out of his or her own pocket.

Some are doing so to revitalize existing brands.

In 2012, greeting card magnate Aaron Kushner and a partner purchased Freedom Communications, parent of The Orange County Register, for an unnamed sum (The Los Angeles Times [estimated that the price](#) was between \$50 million and \$60 million). The new owners proceeded to add 440 staff, including 180 in the newsroom, and expanded pages, though these numbers [began to contract](#) after a round of cost-cutting in early 2014.

Capital, VC & Philanthropy Share

% of financial support for news



Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data.

PEW RESEARCH CENTER

In August 2013, Amazon CEO Jeff Bezos [purchased The Washington Post](#) for \$250 million. At this point, the extent of Bezos' personal investment has been the purchase itself. It [remains unclear](#) whether he will use personal dollars to support the newsroom, but Bezos [noted](#) that he is there to provide “runway,” or “financial support over a lengthy period in which the management can experiment to find a profitable formula for delivering the news.” Bezos [was also part](#) of an investor group that pooled \$12 million in funding for Business Insider, the fast-growing tech- and business-oriented digital news organization run by Henry Blodget.¹⁶

Other publishers are investing their wealth to build something from scratch.

On the nonprofit side, eBay founder Pierre Omidyar announced in October 2013 one of the biggest investments in noncommercial journalism in recent memory: \$250 million toward the launch of First Look Media, of which one division, a nonprofit newsroom, would receive a \$50 million in capital to launch operations. In a [press release](#), Omidyar was listed as both funder and publisher. That level of involvement in the organization, combined with the sizable sum, make Omidyar an outlier in the nonprofit journalism realm.

How much in total dollars do the investments on the scale of Bezos, Kushner and Omidyar add to American newsrooms? There is no way to account for all of this activity in the journalism space—and we do not do so here, in the numbers—especially given that much of it involves moving money around privately held companies. Furthermore, the heavily circulated purchase prices of news properties by new owners—add John Henry and Warren Buffet to that list—represent a change in hands, but not always additional investments by the owners in newsroom budgets. Even so, expenditures on journalism by new owners over the past year amount to a dollar figure closer to hundreds of millions rather than in the billions.

Corporate Investment and Venture Capital

There have always been unprofitable news products whose parent companies use other successful holding to subsidize losses. The Washington Post for many years fit into this category, with earnings from the Kaplan education division filling a gap by tens of millions of dollars each year. So it was with The New York Post, where the success of News Corp.'s entertainment division carried it along through years of losses.

Today, technology firms, digital publishers, angel investors and even some legacy media companies are putting more new money into journalism. What is different here is that much of

¹⁶ This round of funding followed an earlier \$5 million investment in Business Insider by Bezos.

this energy is not being extended in a palliative manner toward legacy news brands, but rather toward relatively younger digital brands and even startups.

Yahoo, under CEO Marissa Mayer's watch, has turned back to investing in content. In 2013 the search company [hired](#) such big names as New York Times tech columnist David Pogue and television personality Katie Couric.

BuzzFeed, a platform built largely around viral content, has also ventured into original news reporting – first hiring Politico's Ben Smith in 2012, adding scores of news staff, in the fall of 2013 introducing a foreign news division, putting some of its [estimated \\$60 million](#) in revenue and \$46 million in venture capital to work (sources at the company would not comment on specific financial details). Most of BuzzFeed's revenue is coming from native advertising; the site's in-house ad department [developed](#) 600 to 700 social advertising campaigns in 2013.

And Vox Media, a company whose DNA is as much technology as content, became the home to former Washington Post blogger Ezra Klein's new explanatory journalism project in early 2014. (Vox is also home to other content verticals, including sports site SB Nation and tech site The Verge.) Vox has not disclosed revenue figures, but has said that it is profitable and that revenues have [doubled](#) since 2012. The company raised \$40 million in venture capital in 2013, some of which would likely support Klein's project, which, in an earlier version, was reported to call for \$10 million per year in news investment.

More than just technology-oriented companies are investing in digital journalism; large, mature media companies are, too. In 2013, ESPN acquired Nate Silver and his 538 brand from The New York Times; NBC bought a stake in Re/code, the erstwhile AllThingsD that was part of the Dow Jones family; and Fox Entertainment bought a stake in the fast-rising Vice Media, a multiplatform news and entertainment company that targets young people.

There is hardly any public accounting for this kind of revenue. Representatives and publishers routinely declined to provide comment or did not respond to queries from the Pew Research Center, so it is hard to estimate exactly how much of the total pie these forms of journalism financing account for. But these capital investments may perhaps carry some of the greatest potential for long-term sustainability. These companies are digital natives. They understand technology and succeeded there first, offering other kinds of content before moving into news. In addition, they are free of the costly infrastructure of legacy platforms like print and broadcast television, and can potentially allow for some failure and loss during experimentation. What is not known yet is the style and quality of journalism this revenue will produce. Yahoo, at least, has been around this block more than once. And to the extent that it succeeds, it is likely to be on the

topical or national level. In 2013, one tech company, AOL, learned this as it ended its investment in the Patch network of hundreds of local sites, even as it reaped rewards with strong revenues from The Huffington Post.

Philanthropic Support

Philanthropy has for decades been a contributor to journalism, and it has played a larger role since the economic upheaval in legacy journalism during the recession of 2008 and 2009.

The noncommercial news sector (public radio, digital nonprofits, and others) generates a significant share of unearned revenue from foundation grants.

From 2005 to 2012, according to [estimates](#) by J-Lab, 279 foundations contributed to 308 journalism initiatives—both nonprofit and for-profit—in 25 states and the District of Columbia. Of those 279 foundations, fully 58% of the funding came from just 10 foundations—chief among them, the John S. & James L. Knight Foundation, the Sandler Family Supporting Foundation, the Ford Foundation and a few others.

In addition, a survey in late 2012 by the Pew Research Center of 93 nonprofit news organizations in the U.S. found that about three-quarters received foundation funding, which, in most cases accounts for more than half of that outlet's total revenue.

For-profit examples include the Ford Foundation's 2012 [\\$1 million grant](#) to The Los Angeles Times to expand its coverage of key beats such as immigration and border issues. And, more quietly, Google [has done so](#) by giving \$5 million in grants geared toward journalism innovation through other institutions.

(While not included in the current calculations, Texas-based venture capitalist John Thornton invested \$1 million of his personal wealth in 2009 toward the launch of The Texas Tribune, the digital nonprofit that covers Texas politics. Thornton is named as a founder of the news outlet and is on the board.)

Around the same time, Herb and Marion Sandler, through their family foundation, made a multi-year commitment to ProPublica for about \$10 million per year.¹⁷ Mr. Sandler is listed as the founding chairman of the organization.

¹⁷ The Pew Charitable Trusts, which fund the Pew Research Center, have also contributed to ProPublica.

In total, roughly \$150 million is generated through philanthropy for journalism annually, according to the most recent available data, most of it going to public radio stations, and some to digital nonprofits. And, this revenue stream continues to grow. In February 2014, Neil Barksy [announced](#) the launch of a nonprofit news organization focused on criminal justice that will operate with a \$4 million to \$5 million budget and employ more than 20 journalists, including Bill Keller, the former executive editor of The New York Times. The operation will be funded by contributions from Barksy, foundations and individuals. And as recently as March, the Jerome L. Greene Foundation [announced a \\$10 million grant](#) to New York Public Radio, most of which is earmarked to develop its digital operation.

Industry Breakdown: Newspapers Still Largest Revenue Segment

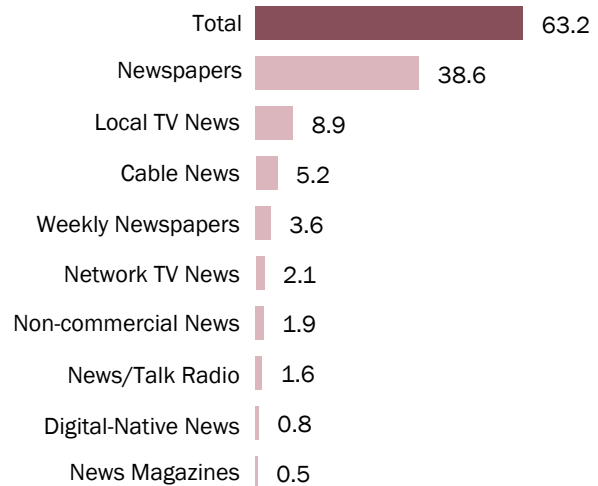
Platform convergence in journalism is beginning to make sector comparisons obsolete. Further, some companies are difficult to fit in a box: Is Atlantic Media Company a magazine, or a digital brand? Is Vice a web or television juggernaut? But it is still helpful to evaluate the revenue breakdown within media sectors because that is how most accounting is still done and, for most, the legacy product still defines the business model.

In 2012, the Newspaper Association of America reported total sector revenues of \$38.6 billion for the roughly 1,400 U.S. dailies—a figure that includes print and digital advertising as well as circulation and other ancillary revenues. No other single sector of the American media approaches even \$10 billion in annual news-related revenues, leaving the sector, however troubled, as the clear revenue leader. About two-thirds of that revenue—\$25.2 billion—comes from advertising, if direct marketing services are included. A quarter (\$10.4 billion) comes from print and digital circulation. The remaining newspaper revenue is generated from a variety of sources, including events, commercial printing, e-commerce and others.

Television-based news in total generates less than half the revenue of the U.S. newspaper sector. The combined annual revenue of 12 cable news channels, three major broadcast networks' news programs, and approximately 800 news-producing local TV stations, amounts to roughly \$16.4 billion.¹⁸

Annual News Revenue

In billions of dollars



Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data

Note: Data represent most current available figures (in most cases, 2012 or 2013) for each sector.

PEW RESEARCH CENTER

¹⁸ Cable TV revenue estimates are provided by SNL Kagan (2013 projections). Local TV news revenues are estimated using data from BIA/Kelsey as well as survey data provided by Bob Papper of Hofstra University (2012 estimates). Network TV news division revenues are provided by Kantar Media (2012 estimates).

Of these, the local TV sector is the biggest operation by far. Largely driven by advertising, including a small portion derived from the web as well as a growing stream of retransmission fees, revenue derived from local TV news totaled \$8.9 billion in 2012, the last year for which complete data were available, according to Pew Research estimates.¹⁹

Cable news accounts for the next biggest TV sector. Of the 12 channels studied here,

which include the major news outlets CNN, Fox and MSNBC as well as Al Jazeera America and several financial news outlets among others, the total revenue projected for 2013 was \$5.2 billion. About half of that was due to license fees, which the channels charge to cable providers in exchange for the right to carry their programming. Most of the other revenue came from advertising, with an estimated 5% to 10% coming from digital.²⁰

The major broadcast networks' news programming—that of NBC, CBS and ABC—along with that of PBS' NewsHour—generated an estimated \$2.1 billion in total revenues in 2012. Those revenues derived primarily from advertising on the networks' morning and evening news programs, although, as with local affiliates, a small portion comes from retransmission fees and digital advertising.

Commercial news outlets native to the web, including those where original news is just one element of their digital offerings such as BuzzFeed, still amount to a small fraction of the revenue

Revenue Estimates for Selected Digital News Properties

Annual revenue estimates for select digital news outlets, in millions

Outlet	Annual revenue	Year	Source
Huffington Post Media Group	\$100	2013	Citigroup Research
The Blaze	\$35-\$45	2012	Fortune
BuzzFeed	\$60	2013	BuzzFeed
Drudge Report	\$15-\$20	2012	Business Insider
Gawker	\$15-\$20	2010	The New Yorker

PEW RESEARCH CENTER

¹⁹ Local TV news revenues were calculated as follows: Market research firm BIA/Kelsey estimates that news-producing stations generated \$17.3 billion in ad revenue in 2012. That is not the only revenue stream for this sector: VSS estimates that 3.6% of total broadcast TV revenue comes from retransmission fees (split up between local affiliates and the networks). And Borrell Associates estimates that 4% of local TV revenues come from digital advertising. From these various sources, analysts projected a total sum. Then, using the RTDNA/Hofstra University/Bob Papper survey data showing that 48.6% of local TV revenues are attributable to news, estimated a total news-related local TV figure.

²⁰ In 2010, CNN [stated](#) that 10% of its total revenue comes from digital advertising. Given that both MSNBC and Fox have web properties that generate similar amounts of traffic as CNN, it is conceivable that these other networks generate similar amounts of revenue from their digital platforms. Given the limits of such a comparison, this report suggests a range of 5-10% for the amount of cable news outlet revenues coming from digital advertising.

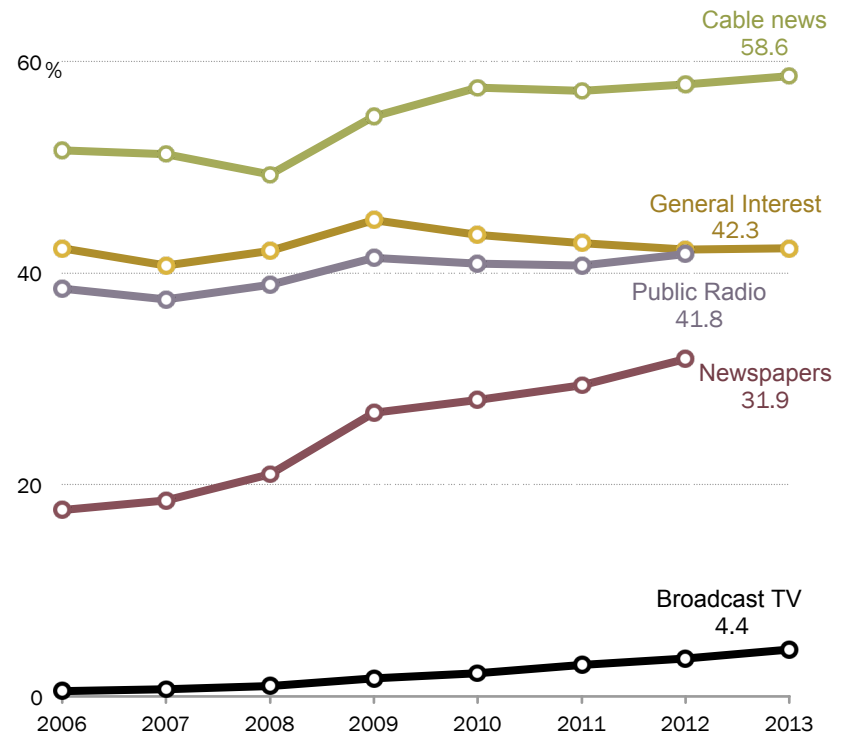
generated by legacy news platforms. One estimate (Kantar Media) suggests this category of news generated \$2 billion in 2012, although that includes web properties outside of this analysis

such as guides and computer sites. A tally of publicly available estimates of specific for-profit news revenues, from large to small, comes closer to \$500 million, with the vast majority of that derived from display advertising (smaller revenue streams include event-hosting and subscriptions). About \$300 million was identified in the form of venture capital and owner investment. Thus, the total amount in publicly available annual revenue and investment estimates for the for-profit digital news sector comes to about \$800 million. To indicate that this represents a minimum, this report suggests a range of \$800 million to \$1.2 billion.

The noncommercial news sector, while small, is strikingly revenue-diverse. Combined annual revenue from NPR and roughly 1,000 local public radio stations around the country, along with scores of digital nonprofit news outlets and one of the oldest nonprofit news organizations, the Associated Press, amounts to roughly \$1.9 billion.²¹ Large portions of that come from syndication and content-sharing arrangements, individual giving, ads/sponsorships, and philanthropy.

Audience Revenue Increasingly Fundamental to News

% of each sector's total revenue generated by audience-related revenue



Source: Pew Research analysis of data from the NAA, BIA/Kelsey, SNL Kagan, VSS, Kantar Media, Borrell Associates, RTDNA/Hofstra University, Public Media Futures Forum, and other publicly available data.

Note: Cable numbers include CNN, Fox and MSNBC. Broadcast TV numbers combine local and network sectors. Given the lack of complete longitudinal data, the newspaper figures compare only circulation as a share of total circulation plus advertising revenues.

PEW RESEARCH CENTER

²¹ Public radio station revenue data is derived from analysis by Mark Fuerst for Public Media Futures Forum. NPR data are provided by the organization (complete PBS financial data were omitted given the limited amount of news featured in PBS' offerings and the difficulty of breaking out news revenue from revenue tied

Another element to consider is the total number of outlets within a sector and how the revenue spreads out among them in terms of reporting power. While the newspaper sector provides the most revenue over all, it is spread across roughly 1,400 daily papers around the country, amounting to an average of \$28 million in annual revenue per paper. Likewise, the local TV news revenue figures represent those generated by about 800 news-producing local TV stations—an average of \$11 million in news-related revenue per station.

The available financial data for digital news suggests that the sector is dominated by a handful of sites, with a long tail of outlets scooping up nickels and pennies in advertising rates. The Huffington Post, for example, a digital pioneer built largely on outside contributors and aggregation, was [forecast](#) by CitiGroup Research to generate \$100 million in 2013; The Blaze, which is run by conservative talk show host and media entrepreneur Glenn Beck, [generates](#) \$35 million to \$45 million in revenue per year, according to Fortune. And BuzzFeed, which has made a science out of viral content and is now expanding its long-form journalism, was estimated to generate \$60 million in advertising revenue in 2013. But just six out of 44 for-profit independent hyperlocal news websites [surveyed](#) by community news expert Michele McLellan in 2012 managed to generate more than \$250,000 each.

Cable news channels and the major network news divisions, on the other hand, emerge as heavily concentrated revenue drivers for the news business. For cable, that amounts to \$485 million, on average, per news channel in annual revenue. The three major broadcast news divisions produce an average of \$691 million.

to all program offerings). Digital nonprofit revenue figures derived from data in the 2013 Pew Research Center report, “Nonprofit Journalism: A Growing but Fragile Part of the U.S. News System.”

A Deeper Look at the Growth in Audience Revenue

After several years of hesitation, the newspaper industry in 2012 moved heavily into digital subscription plans, also known as paywalls. These paywalls helped the newspaper industry raise circulation revenue by 5% in 2012, the first gain in subscription revenue since 2003.

As 2013 ended, around 500 dailies—and possibly more—had implemented or had plans to implement a digital pay plan, according to Pew Research estimates. Several larger news organizations, including The New York Times and the Gannett and Lee newspapers, were seeing some success this past year. In the second half of 2013, two long-standing holdouts, The Washington Post and Digital First Media, announced an all-access subscription model for all of its dailies. And in early 2014, Cincinnati station WCPO launched a digital pay plan on its website.

Still, these new digital dollars fall short of making up for the loss in print subscription revenues, leading many newspapers to also increase their subscription and single-copy prices. In 2012, The Los Angeles Times raised its single-copy price by 50% to \$1.50 from \$1.

Cable news channels were projected to see even greater growth in audience-based revenues, 5% in 2013, largely from increases in subscriber fees, which the channels themselves negotiate with cable providers every few years. The 2013 subscriber fee projections stand at more than half of all this sector's revenue and total \$2.8 billion.

Audience revenue growth in broadcast TV is striking, but largely because it is growing from a small base. Retransmission fees, similar to cable TV license fees, are a small but growing portion of both network and local TV station revenues, and ultimately will impact newsrooms if growth continues as projected.

Sample Newsstand Price Increases

Newspaper	Year of Increase	Weekday Increase	Sunday Increase
LA Times	2012	\$1 to \$1.50	Unchanged at \$2
LA Times	2011	75 cents to \$1	\$1.50 to \$2
Chicago Tribune	2013	\$1 to \$1.50	Unchanged at \$1.99
Chicago Tribune	2007	75 cents to \$1	\$1.79 to \$1.99 (change in 2008)
New York Times	2012	\$2 to \$2.50	Unchanged at \$5 (in NY area)
New York Times	2009	\$1.50 to \$2	Unchanged at \$5 (in NY area)
USA Today	2013	\$1 to \$2	n/a

Source: Pew Research analysis of public available data.

PEW RESEARCH CENTER

Public radio data suggest that while individual giving to stations was down in 2012 by 3%, the roughly \$400 million estimated for that year was the second-highest in the last 16 years for which data are available.

One question that arises is whether the growth in audience-related news revenue comes more from a larger number of people paying for news, or from fewer people paying higher prices.

The data suggest that it is more of the latter. The number of pay-TV households in the U.S. is tapering off, and the number of newspaper subscriptions (both Sunday and weekday) are flat, as are paid subscriptions to weekly newspapers, according to SNL Kagan estimates comparing 2013 and 2008. And for the six major news magazines tracked closely by Pew Research, circulation numbers are flat over all, too.

Yet the cost per consumer for these media continues to rise. The average expanded cable bill is now \$61, according to FCC data, and has risen on average 6% per year since 1995, when the agency first began measuring. And, as noted above, single-copy prices have increased at many of the major dailies. The average amount of circulation revenue per subscription to a weekly newspaper is up slightly over the past five years.

In addition, these increases in audience revenues are coming at the same time as many sectors continue to witness declines in advertising revenues.

A Deeper Look at the Digital Advertising Landscape

As print advertising in particular has seen rapid declines, a burning question has been whether ad revenue on the digital side can provide enough revenue to cover at least a significant share of those losses. As laid out above, the vast majority of ad revenue supporting the news industry is still derived from legacy formats of print and television. New outlets built around ads in the digital space account for only a very small slice of total advertising. Where are there advertising opportunities for news in the digital space? How much promise do formats like mobile and video bring for the industry?

Digital advertising in the U.S. is a \$43 billion market. Most of those ad dollars, though, go to a handful of large technology firms, such as Facebook and Google. Pew Research estimates that news properties lay claim to, at minimum, roughly \$5 billion—or 12%—of the total digital display ad market, a number constructed from industry groups like the Newspaper Association of America, news outlets themselves and market research firms including VSS, SNL Kagan and Borrell.

Even the more lucrative digital ad formats, however, do not command the high prices, dollar for dollar, that legacy ad formats in print or on television do. But within the digital space, certain ones command a higher premium than others. Thus, while most news content on the web is supported by banner advertisements, digital news publishers are now becoming more aggressive about embracing formats such as native advertisements, which carry a higher earning potential.

News organizations get most of their digital ad revenue from two broad categories of ads: banner and video (both of which are considered “display” advertising), while also drawing a much smaller amount from “rich” or interactive media and sponsorships. While there are no news-specific figures available for the performance of these ad types, broader industry figures are provided by eMarketer, a leading market research firm. According to the firm, both the banner and video ad sectors experienced growth in 2013.

Banner advertising—typically seen as static graphics accompanying text—is the biggest single

The Digital Advertising Market

Revenue from key ad formats on U.S. content platforms (in billions)

Format	2013	2012	% change
Total digital ad revenue	\$42.6	\$36.8	16%
Search	19.8	17.3	14
Display	17.7	14.8	20
- Banners & other	9.61	8.56	12
- Video	4.15	2.89	44
- Rich media	2.06	1.79	15
- Sponsorships	1.90	1.54	23
Other (classifieds, email, etc.)	5.1	4.68	9

Source: eMarketer

PEW RESEARCH CENTER

category within the display ad market. There, total revenue across all content, including news, grew 12% to \$9.61 billion in 2013.

Online video advertising (video ads embedded into other video content) saw even greater growth in 2013, both in terms of the range of outlets using them and in the revenue garnered, though from a smaller base. Revenue from these ads more than doubled in the last two years, according to eMarketer, from \$2 billion in 2011 to \$4.14 billion in 2013, thanks in part to the success of YouTube.

Native advertising, considered a type of display ad, still lacks a concise, agreed-upon definition in the industry but in the simplest terms is a publisher placing paid advertising content, written either in collaboration with the advertiser or directly by the advertiser, on its site in such a way that it mimics editorial content. eMarketer does not provide estimates for the native advertising market, but another firm, BIA/Kelsey, projected it to reach \$2.4 billion in 2013, up from \$1.6 billion in 2012. By 2017, BIA/Kelsey expects native advertising to account for \$4.6 billion in revenue.

The Growth of Mobile

Digital ad spending by platform

Platform	2013 (\$ billions)	2012 (\$ billions)
Desktop	\$33	\$32.4
Mobile	\$9.6	\$4.4

Source: eMarketer

PEW RESEARCH CENTER

A number of digital news organizations have made native advertising a pillar in their financial strategy. BuzzFeed, The Atlantic, The Huffington Post and Mashable were early adopters of these ads and have seen strong revenue gains. BuzzFeed's Jonah Peretti announced profitability in September of 2013 based almost exclusively on native ads. The Atlantic saw digital revenue grow from less than 10% in 2006 to 60% in 2013, driven in part by native ads. Jay Lauf, publisher of one Atlantic property, Quartz, said that he [expected the site to be profitable](#) in 2015 and that Quartz has had success with native ads.²²

Aside from The Atlantic, the movement in this direction among more traditional news organizations has been slower, in part because native advertising has come with some controversy and in December of 2013 the FTC held hearings to weigh issues such as transparency to consumers. In January 2014, The New York Times released its first native ads, sponsored by Dell. And ultimately, the promise of revenue growth may well drive others to follow suit.

One way to consider the digital advertising landscape is not by ad format, but by the devices hosting those ads. Here, eMarketer breaks out the numbers by desktop and mobile screens. While

²² BuzzFeed has pushed these native ads even harder than others, buying ad space on social networking sites to drive more visitors to advertiser content on BuzzFeed.com. In 2013, BuzzFeed created an ad network, pitching stories to ad agencies to run sponsored posts on other websites' homepages.

digital advertising on desktops generates more than three times the revenue as mobile, it has flattened considerably. In 2013, desktop advertising accounted for \$33 billion, up just slightly from \$32.4 billion in 2012. Mobile, however, more than doubled from \$4.4 billion in 2012 to \$9.6 billion in 2013.

Beyond estimating the \$4 billion in total digital ad revenue attributable to news properties, the data are too murky to slice any further. Exactly what portion of the news figure comes from conventional banner ads? Most likely, a lot. How much from native advertising and branded content? Probably little, though that may change soon. And, beyond the display data, will targeted local ads—which command higher rates than generic banners—become a critical component going forward for digital publishers? Until news-specific digital ad revenue becomes available, the broader digital ad market provides the best signposts for what is happening in the microcosm of journalism on the web.

Conclusion

In the trajectory of economic disruption for the news system, we have reached a point where some newer forms are beginning to have an impact and may contain long-term potential. We have also seen the innovation and dollars for those coming more from individuals or organizations new to news. For now, though, it is still both the traditional sectors and the traditional forms that account for most of the revenue supporting news gathering in the United States.

A next part of the equation to explore is how revenues are being spent today as technology needs within an organization butt up against the costs of journalists on staff. Digital news startups are free of the legacy infrastructure that runs up expenses at print and broadcast outlets. They do not have plants, delivery trucks or broadcast towers and transmitters to consider, or aging real estate. The cost of newsgathering may even be cheaper, too, as non-institutional journalistic activity runs on a mix of professionals (without pensions), freelancers, amateurs, public data and aggregation/curation. Nonetheless, technology can be very expensive, both its purchase and upkeep, as each new iteration often means reprogramming, re-archiving and transitioning to new tools and equipment.

The cost of running a digital-native news organization, as compared to a legacy one, is a question for another report. But as long as journalism remains a profession, it will cost money to produce.

FOR RELEASE March 26, 2014

The Growth in Digital Reporting

What it Means for Journalism and News Consumers

**FOR FURTHER INFORMATION
ON THIS REPORT:**

Amy Mitchell, Director of Journalism
Dana Page, Communications Manager

202.419.4372

www.pewresearch.org

About This Report

This report is a component of the State of the News Media 2014, the eleventh edition of the annual report by the Pew Research Center examining the landscape of American journalism. This year's study includes special reports about the revenue picture for news, the growth in digital reporting, the role of acquisitions and content sharing in local news and how digital video affects the news landscape. In addition, it provides the latest data on audience, economic, news investment and ownership trends for key sectors of news media. The full study is available online and includes a database with news industry trend data and a slideshow about how news functions on social media. This report is a collaborative effort based on the input and analysis of the following individuals. Find related reports about trends in journalism at pewresearch.org/journalism.

Mark Jurkowitz, *Associate Director*

Amy Mitchell, *Director of Journalism Research*

Katerina Eva Matsa, *Research Analyst*

Jan Lauren Boyles, *Research Associate*

Michael Keegan, *Graphics Director*

Monica Anderson, *Researcher*

About Pew Research Center

Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping America and the world. It does not take policy positions. It conducts public opinion polling, demographic research, media content analysis and other empirical social science research. The center studies U.S. politics and policy views; media and journalism; internet and technology; religion and public life; Hispanic trends; global attitudes and U.S. social and demographic trends. All of the center's reports are available at www.pewresearch.org. Pew Research Center is a subsidiary of The Pew Charitable Trusts.

Alan Murray, *President*

Michael Dimock, *Vice President, Research*

Elizabeth Mueller Gross, *Vice President*

Paul Taylor, *Executive Vice President, Special Projects*

Andrew Kohut, *Founding Director*

© Pew Research Center 2014

Overview

At a time when print newsrooms continue to shed jobs, thousands of journalists are now working in the growing world of native digital news—at small non-profits like Charlottesville Tomorrow, big commercial sites like The Huffington Post and other content outlets, like BuzzFeed, that have moved into original news reporting. In a significant shift in the editorial ecosystem, most of these jobs have been created in the past half dozen years, and many have materialized within the last year alone, according to this new report on shifts in reporting power.

Since the fall of 2013, there has been a dramatic and conspicuous migration of high-profile journalists to digital news ventures. In October, Yahoo hired high-profile New York Times tech columnist David Pogue, who was followed a month later by Times political writer Matt Bai. In late October, former Times assistant managing editor Jim Roberts became chief content officer at Mashable’s growing news operation.

Also in October eBay founder Pierre Omidyar announced that his digital startup, First Look Media, would be spearheaded by the Guardian’s Glenn Greenwald, famed for publishing Edward Snowden’s leaked NSA documents. And BuzzFeed brought on Pulitzer Prize-winner Mark Schoofs (previously at ProPublica, The Wall Street Journal and The Village Voice) to run a new investigative team. The pace picked up again in January 2014, when the Washington Post’s Ezra Klein took his Project X journalism concept (now known as Vox.com) to Vox Media. And in February, former New York Times executive editor Bill Keller announced that he would become editor of The Marshall Project, a new nonprofit focusing on criminal justice issues.

All this movement is merely the tip of the iceberg for a digital native news universe that includes not only dozens of highly publicized national and international organizations, but also hundreds of smaller digital news entities, mainly filling targeted news niches. And it is occurring at a time when print newsrooms continue to shed jobs and when local television news jobs, while holding steady, often are being stretched thinner to produce more content than in the past.

The Pew Research Center made a first effort to put a number on the shifting journalism landscape by using interviews and multiple data bases to account for editorial staffing at 30 major digital

Native Digital News Organizations Grow Their Staff

Digital News Organization	Number of Staff
Vice	1,100
Huffington Post	575
Politico	186
BuzzFeed	170
Bleacher Report	140
Gawker	132
Mashable	70
Business Insider	70

*All numbers represent full-time editorial staff, except for Vice number which includes all full-time staff.

Source: Interviews

PEW RESEARCH CENTER

news organizations and 438 smaller ones. Those 468 outlets—the vast majority of which started in the past decade—have produced almost 5,000 full-time editorial jobs.¹ While that does not represent a complete census of a digital news world, it is a robust a sample as may be possible from a variety of credible sources.

Still, purely in terms of bodies, the growth in new digital full-time journalism jobs seems to have compensated for only a modest percentage of the lost legacy jobs in newspaper newsrooms alone in the past decade. From 2003 to 2012, the American Society of News Editors documented a loss of 16,200 full-time newspaper newsroom jobs while Ad Age recorded a decline of 38,000 magazine jobs, which includes all jobs for the entire consumer magazine sector. Such job cuts continued in 2013 and early 2014—at such big organizations as the Tribune Co. and Time Inc.

The accelerating shift of talent to digital news jobs has significant implications for the U.S. news consumer. Many digital outlets are working to fill reporting gaps created by the strain on resources at traditional outlets—from niche topic areas like education to international coverage to local community news to investigative journalism. One of the larger cohorts—the digital investigative outlets—ranges from the Pulitzer Prize winning ProPublica to the 73 digital news operations in the five-year-old nonprofit Investigative News Network.

Other digital news producers, especially those that have emerged most recently at the national level, are aimed at cultivating new forms of storytelling—from video to crowdsourcing to new documentary styles—and new ways to connect with audiences, often younger ones. A number of legacy outlets are also experimenting with new storytelling and data visualization techniques. But much of the innovation is coming from the digital native sector, with many outlets focused on hiring people with skills and voices “being nurtured online,” as one editor put it.

Some of this coverage, particularly at the local level, can be inexpensive to produce and can require only modest resources. But the question of whether digital news outlets can ultimately replenish the loss of legacy jobs and reporting resources hinges on creating the kind of successful business model or models that have proved elusive. Many native digital outlets are still unprofitable and there is a finite supply of billionaires willing to spend \$250 million on a startup. Most analysts say this growing investment in digital news does not mean the industry has figured out a consistent formula for monetizing that news.

Yet even with concerns about the bottom line, many see the rise of digital newsrooms as a significant moment in a transforming media landscape. Not long ago, BuzzFeed content was

¹ That 5,000 figure reflects editorial employees with one exception. Vice Media’s list of 1,100 full-time staffers includes both editorial and non-editorial employees.

viewed by some as frivolous click bait. But in a recent speech to Kansas University journalism students, former Wall Street managing editor Paul Steiger mentioned BuzzFeed as “the kind of team I’d want to join,” if he were embarking on a journalism career. Many mainstream journalists may not have even heard of Vox Media before Klein’s Project X alighted there. But when news surfaced last month about 500 across-the-board job cuts at the Time Inc. magazine empire, Slate’s Dave Weigel tweeted, perhaps only half-jokingly: “500 more applications for Vox.”

“This represents something completely new in the journalism ecosystem,” says First Look Media executive editor Eric Bates, who went there in November after a decade at Rolling Stone magazine. “It’s a shifting not only of editorial resources, but a shifting of editorial expertise.”

The data Pew Research used to track the shifting job market in news came from several sources. The staffing data for the 30 larger native digital organizations came primarily from interviews—conducted both via phone and email—with representatives of 28 of the 30 organizations. The staffing information for the remaining two outlets came from media accounts. The staffing data from the universe of smaller sites was derived by merging five lists totaling more than 500 digital news organizations. That figure that was whittled down to 438 when duplicate outlets and sites that were not applicable or about which little data could be found were discarded. The staff numbers for the individual sites came from survey results, information collected by those compiling the lists and staffing levels listed on outlet websites. The job numbers from legacy media outlets came from data compiled by the American Society of Newspaper Editors, Ad Age, the Radio Television Digital News Association and Hofstra University and Pew Research data.

Among the findings in the study:

- **At some of the digital natives, the rate of hiring has been explosive.** Two years ago, BuzzFeed had about a half dozen editorial employees. Now it has at least 170.² Three years ago, Bleacher Report had no paid writers; now there are about 50. The rapidly expanding global Vice Media operation has already hired 48 more staffers in the U.S. this year alone. Henry Blodget has plans to increase the Business Insider editorial staff of 70 by 33% this year. And startups like First Look Media, Project X and the new FiveThirtyEight blog have thus far hired a total of about 60 editorial staffers in the last few months.
- **Many of the native digital news organizations are small, nonprofit and young.** Of the 438 smaller sites examined, more than half (241) have three full-time staffers or less. It is also clear that the nonprofit business model is an attractive option for many of these outlets. In

² The large majority of staffing data from the 30 larger companies came from direct phone interviews or email exchanges with executives at those outlets. In the cases when staffing data come from other sources, such as media accounts, that source will be noted in the report.

our sample, slightly more than half of the 402 organizations where we could identify a business status were nonprofits (204.) And many of them are very new. Nearly 30% (120) of the smaller outlets for which we have starting dates have come into existence since 2010. Fully 85% were started since 2005.

- **Many of the smaller digital organizations focus on filling reporting gaps in local news and investigative journalism.** Among the smaller organizations studied, more than half (231) identify themselves as primarily local or hyperlocal outlets—often covering events at the neighborhood level. Nearly four dozen (45) identify themselves as investigative in nature. In addition, several of the largest nonprofits—ProPublica, the Center for Public Integrity and the Center for Investigative Reporting—produce investigative journalism, often in collaboration with legacy news organizations.
- **Among the larger digital outlets, a number are investing substantially in global coverage.** The editorial focus of the 30 larger sites ranges from sports (Bleacher Report) to tech (Re/Code) to investigative (ProPublica.) But some of the general interest outlets are expanding overseas in a significant way: The Huffington Post wants to grow its reach to 15 countries from 11 this year; Vice has 35 overseas bureaus; BuzzFeed hired a foreign editor to oversee its expansion into such places as Mumbai, Mexico City, Berlin and Tokyo. The two-year old business-oriented Quartz has reporters in London, Bangkok and Hong Kong and its editorial staff speaks 19 languages.
- **Digital news organizations are hiring a mix of legacy and non-legacy journalists, with a clear emphasis on new storytelling skills.** One area where legacy skills are in demand is investigative work. The Investigative News Network estimates that at least 80% of the journalists working at its 92 outlets are from legacy jobs. At ProPublica, 25 of its 41 staffers are legacy transfers. But increasingly, editors of digital natives say they are hiring younger staffers with better digital instincts and skills. “The training of traditional journalism is not perfectly suited to what digital audiences are looking to read,” says Quartz editor-in-chief Kevin Delaney.
- **The loss of legacy media jobs in recent years has been concentrated in the print sector.** The American Society of Newspaper Editors counted 38,000 full-time newsroom jobs in 2012, down from more than 54,000 a decade earlier. And in 2013, there were hundreds of new layoffs at such companies as Gannett and Tribune. The Ad Age Data Bank, which tracks all magazine industry jobs, said 26% of magazine jobs were lost in the past decade. That does not include more recent layoffs such as the 500 overall Time Inc. cuts recently announced as part of a corporate restructuring.
- **For all the expansion, it is far from clear there is a digital news business model to sustain these outlets.** First Look Media founder and funder Pierre Omidyar has acknowledged that solvency is at least five years away. The Huffington Post has 575 editorial employees, but is still only “flirting with profitability” according to analyst Ken Doctor. Global

Post, which recently signed NBC as a content partner, has never operated in the black. Asked if the explosion of hiring suggests that digital news has figured out a successful business model to sustain those jobs, one veteran industry observer responded simply: “No. That’s the irony.”

The Digital Migration Becomes a Stampede

In recent years, a number of legacy journalists—some victims of layoffs or facing the prospect of job loss—have moved to the digital news realm, often at small or medium sized startups.

But the breadth and scope of this migration seemed to change in 2013—and one event in particular emerged as a milestone. That was the July announcement that data wunderkind Nate Silver was taking his FiveThirtyEight blog, a 2012 presidential campaign phenomenon, from The New York Times to ESPN. While the sports network is itself a legacy organization, Silver’s decision to move his popular political blog away from one of the most prestigious print legacy news outlets generated major attention. Then last fall, things really accelerated.

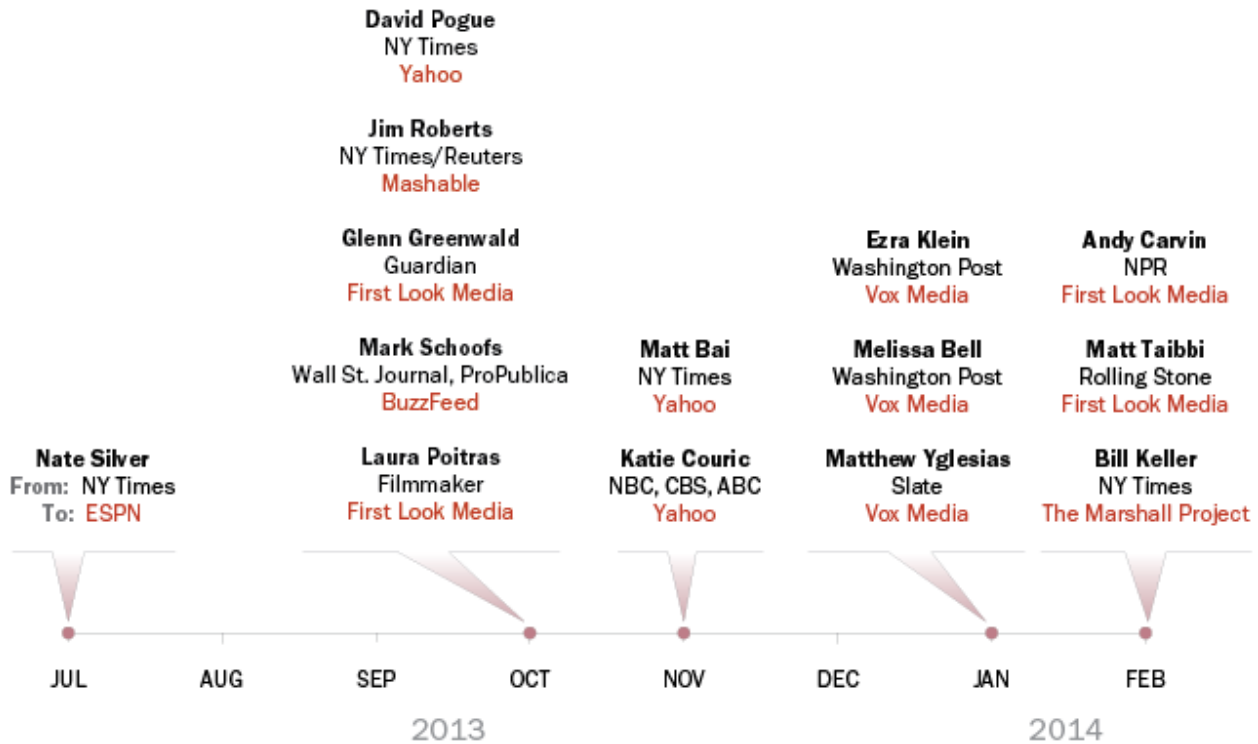
In September 2013, Megan Liberman left the New York Times to take over as editor of an expanding Yahoo News operation. She soon brought with her several other high-profile Times employees, Matt Bai and David Pogue, hired former Newsweek and Daily Beast staffer Daniel Klaidman and signed former CBS News anchor Katie Couric for a reported \$6 million a year.

Perhaps the biggest news of October 2013 was the announcement that Glenn Greenwald would join First Look Media, a digital news venture being bankrolled by eBay founder Pierre Omidyar. A number of other journalists, among them former Rolling Stone executive editor Eric Bates, came aboard First Look Media quickly. In February, Matt Taibbi, whose work at Rolling Stone has focused on the misdeeds of Wall Street, was added to the roster along with Andy Carvin, a former NPR staffer known for his prodigious tweeting about the Arab Spring.

BuzzFeed, a site that began branching into more serious news coverage when it hired Ben Smith from Politico in 2012, had already made one significant move in June 2013 when it announced the hiring of the Guardian’s Miriam Elder to oversee an expansion of foreign coverage. Then in October it expanded news operations again, hiring Mark Schoofs—who came from ProPublica after a stint at The Wall Street Journal—to head its new investigative news unit that will include about 10 reporters.

Also in October came the news that Jim Roberts, a former assistant managing editor at The New York Times, was hired as chief content officer at Mashable to oversee a significant editorial expansion there. Roberts said that he doesn’t think the uptick in digital hiring represents the beginning of a legacy media apocalypse, but that it is meaningful. “I still see quality journalists working for legacy journalism,” he said. But “legacy media does need to pay attention” to the shifting bodies, he added. “You’ve got to take this seriously.”

Big Names Changing Jobs



Source: Pew Research analysis of press accounts

PEW RESEARCH CENTER

In January 2014, after The Washington Post rejected his proposal for a new journalistic venture at a reported cost of eight figures, 29-year-old Ezra Klein took his Project X concept to Vox Media, a digital native company that also publishes SB Nation and Verve. Among those who quickly followed Klein to his new home were fellow Post staffers Melissa Bell, Dylan Matthews, Max Fisher, Brad Plumer and Sarah Kliff as well as Slate economics blogger Matthew Yglesias.

Then in February, 65-year-old Bill Keller—the former executive editor of The New York Times who still wrote a column there—departed to become editor-in-chief of a digital nonprofit news organization focused on the criminal justice system. A Times article reported that the new operation, called The Marshall Project, would have about a \$5 million budget to support a staff of about 30.

And sometimes the competition for talent is between the digital natives themselves as in early March, when the fledgling First Look Media hired away editor John Cook from Gawker, one of the established digital outlets at 12 years old.

If one needed further evidence that digital news is a hot employment market, the flow of job applicants is Exhibit A. A New York magazine story quoted Klein as saying he received more than 600 résumés within three days after announcing Project X. Bates, the executive editor at First Look Media, said that he was so “inundated” with résumés that “I haven’t bothered to count them.”

Jimmy Soni, the managing editor of The Huffington Post Media Group, conducts two or three job interviews a day. He also says The Huffington Post Editorial Fellowship Program—designed to recruit new digital journalists—has already attracted more than 10,000 applicants.

Ben Smith of BuzzFeed is bullish on the appeal of the digital news sector for job seekers. “I think it’s an incredibly competitive landscape and [BuzzFeed] is investing on a scale that’s very ambitious,” he says. “It’s increasingly difficult [for legacy organizations] to compete for talent.”

Jane McDonnell, the executive director of the 2,100-member Online News Association, said that she sees the shift of bodies from legacy to digital news as “a kind of slow earthquake” and that “legacy media is providing a lot of the talent moving out.” For his part, NYU professor Jay Rosen says newsroom stars “have always left [legacy organizations], but they only went in one direction”—toward big magazine jobs or book writing. Now, he says, the ripening world of digital news beckons.

How Big Is the Digital News World?

In calculating the number of editorial jobs in the expanding digital native news world, Pew Research divided that universe into two main categories. One category encompassed hundreds of outlets with mostly small staffs while the other focused on bigger and more prominent digital news operations with considerably greater job growth, financial resources and reporting capacity.

Combining those two groups, Pew Research was about able to account for a total of about 5,000 jobs in the digital news sector.

The Big 30

To get a handle on the growth of jobs in the digital news sector, Pew Research reached out to several dozen of the more prominent and larger digital news organizations to ask about staff size and plans for additional hiring and any expansion of the editorial mission. Almost all of these organizations provided information, either via email or a phone interview. In the cases where they did not, information was gleaned from outside sources, including media accounts.

This “Big 30” list of major digital outlets includes a mix of non-profits (seven) and commercial organizations (23), but it tilts far more to the commercial model than does the group of smaller digital sites. Many of these organizations are also young, having sprung up during the economic and media industry recessions. Nearly than half of them—13 of the 30—are six years old or younger. And 23 of them have come into existence since 2005.

Together, they account for a little more than 3,000 jobs, which exceed the combined total for the more than 400 smaller sites by more than 1,000 jobs. Several of them employ hundreds of editorial staffers and many of them employ scores. Perhaps the fastest growing operation is Vice Media, which began 20 years ago as a punk magazine in Montreal and has now expanded into a global news organization. Vice officials estimate their total full-time staff at more than 1,100 full-time employees, although they were not able to separate out the editorial staffers from that overall

Jobs in Digital Media

Thirty big outlets supply 3,000+ jobs.



Source: Pew Research interviews and additional sources, such as media accounts.

PEW RESEARCH CENTER

number. “We have grown exponentially in the last year,” the company told Pew Research. One indication is the 48 new U.S. staffers hired just in the early part of 2014.

The Huffington Post, a digital native veteran that began largely as a content aggregation site in 2005, has expanded its content creation and reports having a total 575 domestic and international editorial jobs. Jimmy Soni, the managing editor of The Huffington Post Media Group, expects the company’s 11 international editions to expand to as many as 15 by the end of 2014. Another one of the larger outlets is Politico. The seven-year-old organization has a number of products, the best known being its 24/7 politics digital outlet. It reports having 186 full-time editorial staffers.

BuzzFeed, which was founded in 2006, says it now has “170 plus” full-time editorial staffers, the vast majority of which were hired in the last year. To provide a sense of this buildup, when Ben Smith arrived at BuzzFeed in January 2012, he was greeted by a managing editor and a half-dozen writers. Now he heads an editorial staff that is about 25 times larger. “Our business side vastly over-performed,” he said, in discussing the rapid build-up of staff.

Another digital organization that has seen substantial growth is 12-year-old Gawker, the irreverent gossipy site that has spawned other brands, such as the sports site Deadspin, the women’s-oriented Jezebel and the tech-focused Gizmodo. In the most recent count, Gawker had 132 full-time editorial employees, nearly triple the 49 it had seven years earlier.

A few years ago, the sports site Bleacher Report was true to its name, relying on fan content with no paid writers. In 2012 it was purchased by the Turner Broadcasting System and now, according to a company official, there are about 50 full-time writers, 45 full-time editors, 20 producers and 16 video editors.

Founded in 2005, Mashable increased its commitment to news with the hiring of Jim Roberts, who has added five more staffers to a news roster that now numbers about 70. One of those hires was a senior science writer from the nonprofit Climate Central to cover environmental issues and Roberts says other big name hires are in the offing to help bolster, among other things, an expansion into entertainment reporting.

A number of the new digital organizations focus on business and technology reporting. Henry Blodget’s Business Insider has grown to 70 news jobs and there are plans to hire as many as 25 more this year. Earlier this year, Blodget, citing digital readership numbers, declared that “Business Insider is now larger than the Wall Street Journal,” although that does not refer to the number of journalists working there.

Re/Code, the new incarnation (launched in January) of Walt Mossberg's AllThingsD operation at Dow Jones, has 22 editorial staffers. Editor-in-chief Kevin Delaney was the first employee at Quartz in February 2012. The two-year-old outlet from Atlantic Media now employs an editorial staff of about 25. Some 27 editorial staffers work at Tech Crunch. And there are 17 full-timers in editorial at Gigaom.

Some of the better known nonprofit news outlets that focus on investigative journalism have sizable staffs as well. (Some of these organizations pre-date the online journalism world, but they are not part of any legacy news organization and they rely on digital platforms to disseminate their work.) There are 41 full-time news staffers at the youngest of them, ProPublica, the seven-year old investigative outlet founded by former Wall Street Journal managing editor Paul Steiger. The Center for Public Integrity, one of the digital graybeards at 25 years old, employs 38 full-time editorial staffers. And there are 50 editorial employees at the California-based Center for Investigative Reporting, which dates back to 1977.

One nonprofit that has built a reputation for its coverage of state politics, The Texas Tribune, has 23 full-time editorial staffers.

Several of the oldest digital native outlets have traditionally been known for a strong focus on politics and current affairs. Slate, which started in 1996 and was once owned by Microsoft, currently has 50 full-time editorial staffers. Salon, which began a year earlier, is home to 25. TPM (Talking Points Memo), which began in 2000 as a one-person operation, now

Staffing Levels for 30 Large Digital Outlets

Digital News Organization	Founding Year	Number of Staff
Center for Investigative Reporting	1977	50
Center for Public Integrity	1989	38
Vice	1994	1,100*
Salon	1995	25
Slate	1996	50
Talking Points Memo	2000	15
Gawker	2002	132
Huffington Post	2005	575
Mashable	2005	70
Tech Crunch	2005	27
BuzzFeed	2006	170
Gigaom	2006	17
Politico	2007	186
Bleacher Report	2007	140
MinnPost	2007	11
ProPublica	2007	41
Business Insider	2007	70
Daily Beast	2008	50
Global Post	2009	28
Texas Tribune	2009	23
Daily Caller	2010	31
Grantland	2011	20
Policy Mic	2011	13
Yahoo News	2010	50
Quartz	2012	25
The Marshall Project	2014	30**
Re/Code	2014	22
Nate Silver's FiveThirtyEight	2014	19
Project X (Vox.com)	2014	18
First Look Media	2014	20

*Vice staffing number includes all full-time staff and not just editorial.

**The Marshall Project staffing is a projected number.

Source: interviews and additional sources, such as staff listings, media accounts

PEW RESEARCH CENTER

employs 15 editorial staffers. A newer political site, the four-year-old Daily Caller, has 31 news employees on staff.

One digital news organization created to compensate for the diminishing international reporting in the mainstream media is the five-year-old Boston-based Global Post, which was co-founded by former Boston Globe foreign correspondent Charles Sennott and Phil Balboni, formerly a Boston television news executive. It has 28 full-time editorial staffers, including 13 senior correspondents in various capitals.

Several journalists who operate largely in the digital space represent what New York University journalism professor Jay Rosen calls “the personal franchise model” in journalism. One is Nate Silver, who is building the staff for his new FiveThirtyEight Blog enterprise, which now includes about 19 editorial staffers. The mega-sports channel is also home to another notable digital vertical, Bill Simmons’s three-year-old Grantland, which employs 20.

The ultimate personal digital franchise may be Ezra Klein’s eagerly anticipated Project X, designed to produce deep explanatory journalism. Since arriving at Vox Media in January, Klein has been aggressively hiring to fill out a staff that currently numbers about 18 people, according to media reports. First Look Media’s hire of Glenn Greenwald, which created a major buzz around the Omidyar enterprise, represents another extension of the personal franchise model. The initial rollout from First Look occurred with the Feb. 10 introduction of a digital magazine, The Intercept, which debuted with coverage of Edward Snowden’s NSA leaks. First Look executive editor Eric Bates says there are about 20 editorial hires on board already with “very large and robust” hiring planned.

The Smaller Outlets

In terms of the numbers of outlets, the largest component of the growing digital news world is the smaller news site. A large majority of them are less than a decade old, about half are nonprofits, most have staffs of five or fewer and many also rely on volunteer and citizen contributors. Their greatest area of focus is local news coverage.

They can be economically shaky, as exemplified by what happened at Patch, the ambitious seven-year-old local digital journalism experiment. In the last year, two major rounds of cutbacks—that by some accounts have reduced the workforce by three-quarters or more—have meant the loss of hundreds of local digital news jobs across the country.

While the small and local nature of these sites makes it impossible to get an absolute tally, many either belong to journalistic organizations or have taken part in surveys. Pew Research used five of the largest compiled lists of these outlets.

One source was the Columbia Journalism Review's [Guide to Online News Startups](#), which compiled a list of 277 outlets. Another was the membership of the nonprofit Investigative News Network, which includes 73 digital native outlets. In addition, Pew Research compiled data on 172 nonprofit news organizations that were part of its 2013 report on the nonprofit news landscape. We also looked at 117 organizations that are part of the Local Independent Online News Association. Another source was Michele's list, a collection of 205 digital news organizations amassed by Michele McLellan, a journalist and consultant who has concentrated on the local news environment.

Combining all five sources and eliminating overlapping outlets, defunct and legacy organizations and those outlets for which there were little data available, Pew Research identified a total of 438 digital news organizations that produce original reporting on a regular basis. Of those, Pew Research found staffing data for 329 of them—which combined to produce a total of 1,432 full-time jobs, the vast majority of which are editorial. That comes to an average of 4.4 jobs per outlet. Using that average figure, we then multiplied the other 109 outlets for which there were not

Jobs in Digital Media

Small digital outlets supply 1,900+ jobs.



Source: Pew Research analysis based on data from five separate listings of digital news outlets.

PEW RESEARCH CENTER

staffing data by 4.4 workers. Based on this analysis, Pew Research estimates a total of about 1,900 editorial jobs at the 438 outlets.

The data also indicate that many of these jobs are quite new. Indeed, 29% (120) of the 414 outlets for which there was founding year information have started since 2010. And 56% (230) began in the period between 2005 and 2010. The biggest single year for expansion was at the height of the recession. There were 103 digital native startups in 2009, the same year that the American Society of Newspaper Editors recorded the loss of 5,200 newspaper newsroom jobs. That suggests many small digital organizations were formed to try to fill perceived reporting gaps created by legacy layoffs exacerbated by a bad economy.

This universe of smaller digital news organizations also reflects the growth of the nonprofit business model in news. Of those 402 outlets for which we could ascertain corporate status, about half (204 outlets) were registered as nonprofits, meaning, among other things, that they are eligible to accept tax-exempt contributions and obligated to plow any surplus revenue back into business operations rather than paying shareholders or investors. Slightly less than half the outlets were operated as commercial businesses.

Pew Research's accounting of full-time jobs also reveals the modest staffs at many of these startups. While the overall average came out to about four full-time staffers per outlet, a large majority of sites (241) had three or fewer employees.

One reality of that environment is that many of these organizations rely on part-time workers and volunteers to help produce content. Of the 93 nonprofit outlets that responded to the 2013 Pew Research survey, more than half reported having part-time paid employees while almost three quarters said they relied, at least in part, on unpaid volunteers, interns or contributors.

On one level this reliance on non-paid workers reflects the lean budgets of many of these outlets. But it also reflects some of the genre's editorial ethos—that covering local communities or neighborhoods at a grassroots level is best accomplished with contributions from regular citizens.

What the Digital News Boom Means for Consumers

Is Digital News Filling Key Reporting Gaps?

In response to a Pew Research survey question last year, one official at a digital nonprofit described his editorial mission as “filling the holes that chain media outlets swerve around.” That description gets to the heart of a major question. As cuts in legacy organizations have forced editors to make harder choices about coverage priorities, to what extent are digital news organizations moving to fill those holes in the news ecosystem?

An analysis of the digital native landscape indicates that a number of these organizations are focused on three content areas adversely affected by the economic turmoil in the news industry—local news, international coverage and investigative journalism.

Local news is the focus of a majority of the smaller digital news organizations, many of which were created to cover community and neighborhood events. The uptick in international coverage is coming from the bigger organizations with considerably more financial and human resources, that are rapidly building up overseas bureaus. And the investigative journalism is being produced at both the smaller, more localized organizations—such as the Wisconsin Center for Investigative Journalism—and the larger national outlets, like the Center for Public Integrity in Washington, D.C.

While this report does not include a content analysis of the quality and depth of that local reporting, it is clear that many organizations see these as important editorial niches.

Local News

Alarm bells about the decline in local reporting have been ringing for some time. The John S. and James L. Knight Foundation, in a report “Informing Communities: Sustaining Democracy in the Digital Age, warned “the local journalistic institutions that have traditionally served democracy by promoting values of openness, accountability, and public engagement are themselves in crisis from financial, technological, and behavioral changes taking place in our society.” Three years ago, the Federal Communications Commission concluded that “in many communities, we now face a shortage of local, professional, accountability reporting.” [In a 2010 study of the news ecosystem](#) in Baltimore, Pew Research found that the overall number of articles published by The Baltimore Sun in 2009 had dropped 32% from the output of a decade earlier, in 1999.

Virtually all of the country’s nearly 1,400 daily newspapers are, first and foremost, local news outlets and have traditionally been viewed as a crucial source for that information. In 2011, a Pew Research [survey on how news consumers get local news](#) found that of the 16 topic areas studied, newspapers were the most relied upon source (or tied for that designation) in 11 categories—from crime to local politics to schools. While the initial wave of newsroom cuts—often in foreign bureaus or arts reporting—were aimed at protecting the local news franchise, the FCC report noted that at many papers, the cuts ultimately went deeper until “local accountability journalism [was] down.”

While the local television news industry has avoided the kind of severe belt-tightening forced upon newspapers, there is some evidence of a narrowing local TV news agenda now focused on three favorite topics. A Pew Research [analysis of local TV news content](#) in 2005, compared with a snapshot sample in late 2012 and early 2013, found the airtime devoted to weather, traffic and sports had risen from 32% of the local newscast studied to 40% —a 25% increase. Indeed, Pew Research’s examination of 48 evening and morning newscasts in late 2012 and early 2013 found that 20 of them led with a weather report or story.

There are also data to suggest that deeper reporting may be less prominent on local television. According to a Pew Research study from 1998 through 2002, some 31% of all the stories on local television news excluding traffic, sports and weather were more than a minute long while 42% were under 30 seconds in length. In 2012, the percentage of stories over a minute long shrank to 20% while the percentage of those that lasted less than half a minute grew to 50%. At the same time, the increasing consolidation of station ownership and the economic advantages of shared resources mean that nearly one-quarter of the almost 1,000 local television stations in the U.S. do not produce local news themselves, but rely on another station.

The primary focus of a majority of smaller digital native news outlets in this report is local, or even hyperlocal coverage—often the most realistic and effective use of their limited resources. More than half of them that we analyzed—231 outlets in all—indicated a focus on local news, either through a narrower or more general topic menu. (That excludes organizations that primarily identified themselves as investigative.) In larger cities, some focused entirely on an individual neighborhood, such as the [Leimert Park Beat](#) in Los Angeles and the [Park Slope Stoop](#) in Brooklyn. In addition, 28 digital news organizations said they concentrated on either state or state government issues.

Dylan Smith, the chairman of Local Independent Online News Publishers, said it is a requirement that his nearly 120 members focus primarily on local news, described as a “defined geographic area for that community.” Most of those sites, he said, “focus on general news, with some giving more weight to topics [such as] public safety, education, investigative reporting.”

One example of a digital nonprofit helping fill local reporting gaps is the relationship between Charlottesville Tomorrow in Virginia—with a full-time staff of three and an annual budget of around \$400,000—and the local paper, The Daily Progress. In the past few years, more than 1,100 Charlottesville Tomorrow stories have been published in The Progress, to the point where the digital outlet says “it produces more than 50 percent of the newspaper's content related to growth, development, and local politics.”

Local News Digital Site

Baristanet

[Montclair Area](#)
[Maplewood Area](#)
[Real Estate](#)
[Sirens](#)
[People](#)
[Places](#)
[Happenings](#)
[Calendar](#)
[Classifieds](#)

Featured Five



Preserve Your Family History: A Digital Conversion Party at the Montclair Historical Society

Preserve your family treasures.



match.com



PEW RESEARCH CENTER

International News

Another area that has seen significant cutbacks in legacy coverage is international reporting, a trend some analysts trace back to the dissolution of the Soviet Union and the end of the Cold War more than two decades ago. Staff cutbacks at daily newspapers and broadcast television outlets have helped exacerbate that trend.

Andrew Tyndall, who tracks the evening newscasts at ABC, NBC and CBS, counted 1,671 minutes of total coverage with overseas datelines in 2013. That is less than half of what it was in the late 1980's and is part of a long downward trajectory of overseas coverage on national broadcast news that Tyndall charted.

In 2010, the American Journalism Review conducted a survey that found 234 international correspondents working at U.S. newspapers, down from 307 seven years earlier. That story also reported that 20 papers and newspaper companies had completely eliminated their foreign bureaus since 1998. In 2008, a [Pew Research survey](#) of executives at more than 250 newspapers found that nearly two-thirds—64% of them—said international news was getting less space in the paper than it had three years earlier.

From 2007 through 2011, Pew Research examined and coded about 50,000 mainstream media news stories a year. In four of those five years, the percentage of the newshole devoted to overseas events not directly connected to the U.S. ranged only between 10% and 11%. Only in 2011, a year marked by such international mega-stories as the Arab Spring and the Japanese tsunami, did the coverage spike – to 17%.

Although a few of the smaller outlets are focused on overseas events, it is the larger organizations that are behind the growth in foreign coverage in the native digital world. In its mission statement, Global Post says quality journalism has been “profoundly” imperiled by “an unprecedented combination of forces [including] the transformational power of technology and the internet [and] the dramatic erosion in the economic underpinnings of the traditional media.” Along with its 28 full-time staff, the internationally focused digital outlet has eight part-timers and a stable of about 50 freelancers. Last summer, NBC News struck a deal to use Global Post correspondents and air stories produced by the digital outlet.

Relatively few digital organizations are focused exclusively on international coverage the way Global Post is, but a number of the more prominent digital organizations have recently been expanding and investing overseas at a brisk pace

Business Insider launched a site in Australia in 2013 and plans to open a newsroom in London this year. The two-year-old Quartz operation now has two reporters in London, one in Bangkok and two in Hong Kong. Its editorial staff speaks a combined 19 languages.

The Huffington Post, with 11 international editions, is launching soon in India and may expand to four other countries this year, according to Jimmy Soni. In early March, Vice Media—which was already getting attention for its reporting on the Ukrainian crisis—announced a new global news channel “for a youth audience” backed by the reporting resources of 35 overseas bureaus.

BuzzFeed made a major commitment to international news by bringing on a foreign editor in 2013. And in a memo to staffers, CEO Jonah Peretti said that following the company’s expansion into London, Sydney, São Paulo and Paris, there would soon be new BuzzFeed offices in “Berlin, Tokyo, Mumbai, Mexico City and many more.”

BuzzFeed International Coverage

BuzzFeed

NEWS ENTERTAINMENT LIFE VIDEO MORE

WORLD

rending Topics: russia crimea women miguel forbes soldiers congo indi

TALK DIRTY TO ME, SIR!

PROTESTS IN VENEZUELA

The Siege Of San Cristobal

PEW RESEARCH CENTER

Investigative Journalism

Investigative journalism tends to be expensive because of the time—and staff power—it often takes to unearth, report and vet an investigative exposé before publishing (not to mention the potential cost of lawyers). And it too has felt the effect of legacy newsroom cuts, although there is data to indicate the loss of investigative jobs in mainstream media has been occurring for a while.

In 2005, a survey of the largest U.S. dailies conducted by Arizona State University journalism students found that 37% percent of those newspapers had no full-time investigative or projects reporters on their staffs. The report said that most had two or fewer, and only 10 newspapers had four or more investigative or projects reporters. Nearly two-thirds, 62% percent of the newspapers, did not have an editor tasked with working on investigations and 16% of the dailies reported disbanding a projects or investigative team.

Several years ago, the American Journalism Review reported that membership in the Investigative Reporters and Editors organization had fallen from almost 5,400 in 2003, to about 4,000 in 2010. In explaining its mission on its website, the seven-year-old investigative nonprofit ProPublica states flatly: “Investigative journalism is at risk. Many news organizations have increasingly come to see it as a luxury.”

In this environment, a number of outlets in the digital news landscape are trying to take on the task of investigative journalism. “I like to say this is the fastest growing sector in journalism,” says Kevin Davis, CEO and executive director of the Investigative News Network. Formed in 2009, the organization’s membership has grown to 92—the large majority of which (73) are digital native outlets.

There are a number of modest-sized organizations that have moved into the investigative journalism realm. In our sample of smaller digital news outlets, nearly four dozen (45) identified themselves as investigative news outlets—with many focused on the local or state level. They include such organizations as the [Carolina Public Press](#) and [New Mexico in Depth](#).

The [New England Center for Investigative Reporting](#), housed at Boston University, recently hired two Boston Globe reporters for its staff. The center sells its stories to legacy outlets, such as an exposé of the deaths of young children under state protection that ran in The Globe and a look at the unregulated world of smartphone apps offering medical advice that was picked up by The Washington Post.

But much of the investigative muscle in the digital news world comes from some of the larger nonprofit organizations—such as ProPublica, the Center for Investigative Reporting and the Center for Public Integrity, which combined employ almost 130 editorial staffers.

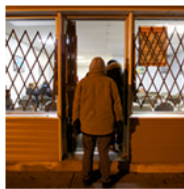
In another sign of the role being played by these investigative outlets, some have been aggressively partnering to produce in-depth exposes with legacy news organizations. That is part of the operating model for ProPublica—a two-time Pulitzer Prize winner—which in 2012 published about 80 stories in conjunction with more than 25 media partners and has worked with such legacy outlets as The New York Times, The Los Angeles Times and PBS’s Frontline. In 2013, the Center for Investigative Reporting teamed up with The Tampa Bay Times to publish an investigation of America’s 50 worst charities.

More recently, The Center for Public Integrity won the Goldsmith Prize for Investigative Reporting—awarded by Harvard University’s Shorenstein Center—for collaboration with ABC News that exposed efforts by doctors and lawyers to deny black lung benefits to sick coal miners. Another of the Center for Public Integrity’s Goldsmith finalists this year—entitled “[Secrecy for](#)

ProPublica Investigative Unit



Our Investigations



Temp Land Working in the New Economy

Temp employment is climbing to record levels following the Great Recession. The system benefits brand-name companies but harms American workers through lost wages, high injury rates, few if any benefits, and little opportunity for advancement.

8 Stories in the Series. Latest:
A Modern Day 'Harvest of Shame'
by Michael Grabbell
ProPublica, March 10, 10:24 a.m.



The Prescribers Inside the Government's Drug Data

Never-before-released government prescription records shows that some doctors and other health professionals across the country prescribe large quantities of drugs known to be potentially harmful, disorienting or addictive for their patients. And officials have done little to detect or deter these hazardous prescribing patterns.

27 Stories in the Series. Latest:
The Perils of Problematic Prescribing: A Double Dose of Warnings
by Charles Ornstein
ProPublica, March 7, 4:52 p.m.



Fracking Gas Drilling's Environmental Threat

Vast deposits of natural gas have brought a drilling boom across much of the country, but the technique being used, called hydraulic fracturing, is suspected of causing hundreds of cases of water contamination. Now

PEW RESEARCH CENTER

[Sale: Inside the Global Offshore Money Maze](#)”—has run in hundreds of publications around the world, including LeMonde and The New York Times.

New Skills and New Storytelling

One way to gauge how the growth in digital native news is impacting consumers is to look at the coverage areas. Another way—one that often goes hand-in-hand with editorial focus—is how that information is reported and packaged. One thing clearly emerges in conversations with editors at these digital natives moving into more substantial content creation. They talk about hiring younger journalists who are more adept at creating that content for a younger audience.

The eclectic BuzzFeed—where stories about the crisis in Crimea sit side-by-side with videos of contented pet dogs—will never be mistaken for The New York Times. On some level, Vice Media is in the same business as television news, but its six-minute video tour of the opulent mansion of ousted Ukrainian President Viktor Yanukovich—complete with hip hop beats and a wisecracking correspondent—will not remind anyone of a NBC Nightly News segment. And Quartz’s big preview story on the February jobs report—delivered via six charts and minimal text—reflects a different method of economic storytelling.

Quartz editor-in-chief Kevin Delaney, himself a veteran of The Wall Street Journal, says that journalists at new digital organizations need new skill sets. Traditional journalists can “struggle with pace and format,” online, he explained, noting that the classic 800-word newspaper article does not necessarily work in the digital space.

Mashable’s Jim Roberts says that while outlets like The New York Times have traditionally hired people with “very specific, specialized skills...we look for people with a broader range of skills [in the digital world]. I do want to hire people who really understand visual journalism...and have an affinity for social media and have a presence on social media.” Nate Silver, in a February memo outlining his hiring needs at his reinvented FiveThirtyEight Operation, advertised for a [database journalist, a politics/visual journalist](#) and a computational journalist.

Pew Research also tried to analyze the shifts in storytelling by looking at the hiring patterns at digital outlets and trying to determine what percentage of their editorial employees came from legacy news outlets. Not every outlet was able to provide that information, but a few basic patterns emerged.

Former legacy outlet journalists are well represented in the world of small to medium-sized startups, many of them nonprofits. Dylan Smith says most of the staffers at the Local Independent

Online News Publishers are “in one way or another, a refugee from chain media, somebody who got laid off and wanted to keep being a journalist or keep covering a place they know or love.” Kevin Davis estimates that of the nearly 600 full-time staffers at the 92 outlets in the Investigative News Network, about 80% came from legacy organizations.

Investigative journalism, he says, “is the pinnacle of the newspaper hierarchy.”

Legacy journalists work in significant numbers at some digital investigative outlets. ProPublica has 25 legacy journalists on its staff of 41. Bill Buzenberg, executive director of the Center of Public Integrity, rattles off 10 legacy news organizations that have contributed talent to his 38-person news staff.

“There are clearly many refugees from legacy news organizations, newspapers and magazines that are getting smaller,” Buzenberg said. “But I think the digital world is also generating up lots of interesting young people who are simply multi-platform journalists and see their work that way.”

A numbers of editors at the digital native organizations say that increasingly, they are looking at younger journalists with a more intuitive sense of the online world.

Slate editor David Plotz said “I feel like every young person I talk to [about jobs] all have this crazy metabolism. That is what journalism is selecting for right now.” Salon editor-in-chief David Daley says fewer of his recent hires came from legacy institutions: “The voices we’re looking for increasingly are being nurtured online.”

“We’re hiring young producers who are capturing and covering news stories in an immersive documentary style that resonates with our audience,” said a Vice Media representative when asked about the skill sets the organization was looking for.

BuzzFeed editorial director Jack Shepherd said that “a lot of our new editors come through our fellows program, which is an incredibly competitive three-month fellowship that trains talented young people to make things that people want to share using BuzzFeed’s platform.”

At Business Insider, Henry Blodget estimates that only about 10% to 15% of the staff came from legacy newsrooms. “Digital is as different from print and TV as they are from each other,” says Blodget. “In addition to being a good journalist, you have to be a good digital storyteller. And that’s very different than being a good print or broadcast storyteller.” Josh Marshall at TPM said about half his 15-person editorial staff are legacy refugees, but adds that he tends to “hire young staff”

that haven't had long careers elsewhere. BuzzFeed's Ben Smith estimates that 20% to 30% of his editorial staffers are working at their first job.

When asked where he looks to hire staff, The Huffington Post's Jimmy Soni said, "The most important thing you can do as a modern journalist is be adaptable. We're bringing people in journalism who never would have thought of themselves as journalists."

The Losses in Legacy

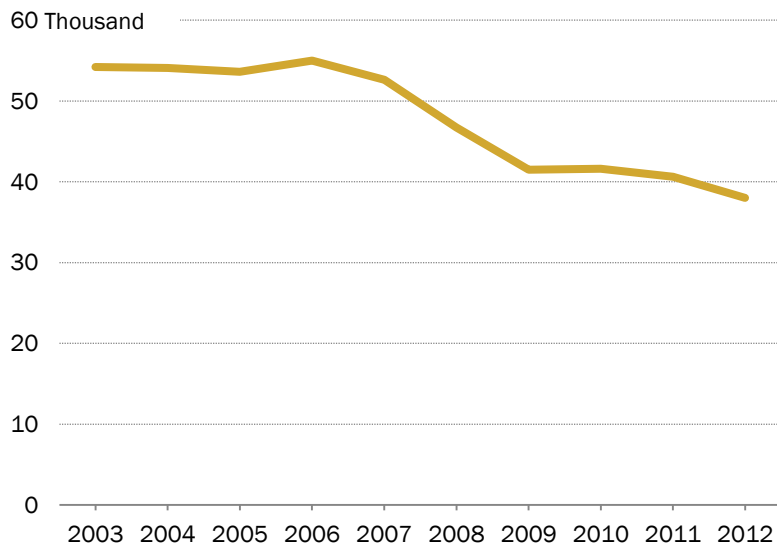
Overall, the decade-long trend in newspaper job losses continues. According to the annual American Society of Newspaper Editors survey, the number of full-time newsroom jobs in 2012 (the last year for which complete data are available) slipped to 38,000. That is the lowest number since the society began counting in 1978. In the decade from 2003 through 2012, a total of 16,200 jobs were lost according to the editors group. The recession years of 2008 and 2009 took a toll from which the industry never recovered. In 2007, there were 52,600 full-time newsroom employees. Two years later, that workforce had been pruned by about 20%.

Although the editors association's numbers for 2013 have not been released, the drumbeat of layoffs continued last year.

According to various sources, including media accounts, several major companies eliminated hundreds of newspaper jobs in 2013, including two—Gannett and Tribune Co.—that invested more heavily in local television stations. At Gannett newspaper properties, estimates reached about 400 layoffs from all departments while the Tribune Co. announced about 700 cuts—not all of them in the newsroom either. Media reports put newsroom layoffs at The Cleveland Plain Dealer and the Oregonian in Portland at about 50 apiece in 2013.

Newspaper Newsroom Workforce Continues to Drop

Number of Workers



Source: American Society of News Editors, Newsroom Employment Census

PEW RESEARCH CENTER

In one noteworthy cutback, The Chicago Sun-Times laid off its entire 28-person photography department in 2013. (Four were hired back in March 2014). In California, publisher Aaron Kushner, who attracted considerable industry attention and praise for hiring scores of new journalists and investing heavily in print journalism, ended up cutting about 70 jobs at The Orange

County Register and The Riverside Press-Enterprise in early 2014, some outside the newsroom. Four top editors were among those who departed The Register.

This overall trajectory has not kept some newspapers from aggressively replacing those lost to new digital venues, in some cases hiring people from the digital news sector. To replace tech columnist David Pogue, who left for Yahoo News, The New York Times hired Farhad Manjoo from The Wall Street Journal. Manjoo had come to The Journal from Slate, one of the earliest digital news outlets. The Times will have a 15-person staff producing “The Upshot,” the new politics and policy site that will, in part, fill the gap left by Silver’s departure. And The Washington Post moved quickly to replace Ezra Klein’s departed Wonkblog team, hiring such journalists as Emily Badger from the Atlantic Media Group and Jason Millman from Politico.

As with newspapers, the magazine sector has also been shedding jobs at a significant pace. Ad Age’s Data Bank, which tracks all magazine jobs (not simply newsroom jobs) for the entire consumer magazine business, found that the number of magazine jobs had shrunk by 35,000 in the last five years.

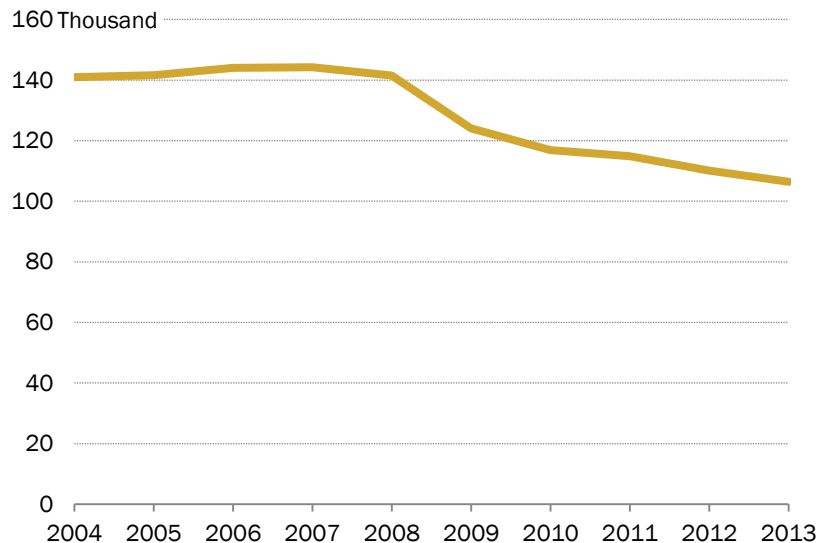
The employment picture has not been much brighter in the smaller subset of news magazines. Of the three big newsweeklies that once

dominated the market, U.S. News & World Report shuttered its print edition in December 2010 and Newsweek followed suit two years later, although it re-launched a print product in March. And as Time magazine’s parent company, Time Inc., prepares to spin off from its corporate parent, Time Warner, a reported 500 jobs will be lost there.

The legacy broadcast news world has fared better in terms of jobs than the print newsroom, although meaningful data at the national level are hard to come by since the outlets themselves do

Significant Losses at U.S. Magazines

Magazines’ Employment



Source: Advertising Age, DataCenter

PEW RESEARCH CENTER

not regularly report those numbers. At the local level, however, the numbers indicate a stable workforce. According to an annual survey produced by Hofstra University Professor Bob Papper, the total staffing level in local television newsrooms in 2012 was 27,605, the third-highest total recorded—behind only 2011 and 2000. But some of those journalists have been stretched thinner. In recent years, local television stations have been busy adding newscasts, particularly in the early-morning hours. More than 40% of the stations responding to Papper’s most recent survey said they increased news in 2012.

At the national cable news level, the three main competitors cite the same overall staffing numbers they have used for years. CNN and its sister network HLN laid off more than 40 senior journalists late last year, but CNN uses its longstanding staff number of 4,000. MSNBC and the Fox News Channel have both declined to provide staffing numbers in recent years, saying it is too difficult to come up with an accurate count.

In a study of cable news content in the 2013 State of the News Media Report, Pew Research did find that between 2007 and 2012, the percentage of time devoted to interviews during the daytime increased to 51% from 39% while the time devoted to breaking news events and live staff reports dropped to 23% from 33%. Covering live events with correspondents is considerably more labor-intensive and costly than airing interviews.

Tracking staffing numbers from the three broadcast networks that provide news is difficult, but all have implemented cutbacks in recent years. According to media accounts, about one-quarter of the ABC News staff departed in 2010. That same year, dozens of CBS News staffers reportedly lost their jobs in financial belt-tightening at the network. Hundreds of jobs were lost at NBCUniversal in 2008 as part of an effort to reduce the budget by \$500 million.

There has been a long downward trend in the size of network news staffs. In its [2008 State of the News Media Report](#), Pew Research cited journalism professor Joe Foote’s finding that there had been a 35% drop in the number of reporters appearing on the evening network newscasts from 1985 to 2002. Using a different methodology—relying on how the networks reported their own staff numbers to the New Media Yellow Book—Pew Research estimated that overall network news staffing had dropped 10% more between 2002 and 2006.

Is There a Business Model to Sustain Digital Native News?

A look at the flow of investment dollars suggests a bull market in the new digital news arena.

Last year, Rupert Murdoch took a \$70 million share in Vice Media, a company that is profitable and projecting that it will double topline revenue from 2013 to 2014. Mashable recently raised \$14 million to bolster its newsgathering, including a \$700,000 investment from a major legacy media operation—the Tribune Co. NBC Universal bought a minority share in the Re/Code operation launched in January by Walt Mossberg and Kara Swisher. And earlier this month, Henry Blodget’s Business Insider reported raising \$12 million from a group of investors that includes Amazon.com founder and new Washington Post owner Jeff Bezos.

And that pales in comparison with the \$250 million eBay founder Pierre Omidyar has committed to his new First Look Media operation.

But beneath this flow of cash and optimism, some hard questions lurk. A central reason for the economic crunch afflicting many legacy news organizations is that their digital product—while attracting eyeballs—has not produced enough revenue, particularly advertising dollars. (In 2012, the last year for which data are available, digital ad revenue at [newspapers grew at a disappointing 3.7%](#)). That leads many observers to wonder if digital native outlets will succeed where legacy digital platforms have had so much trouble.

Even enthusiastic supporters of the explosion of digital news content don’t have an easy answer to that question. Some of them voice doubts, both privately and publicly.

“Well there certainly won’t be one [business model],” says Eric Bates of First Look.” It’s a ‘by-any-means-necessary’ situation.” Those sentiments are seconded by Jay Rosen: “There isn’t going to be one business model to replace the one the internet broke. The problem keeps changing.”

For all of the proliferation of smaller digital news operations in recent years, the financial underpinnings of many of them are fragile. Of the outlets surveyed by Pew Research for its nonprofit report, nearly half reported annual revenues of \$250,000 or less. Nonprofit news organizations are working to diversify their revenue streams and reduce their reliance on big grants, with 61% of the survey respondents having started with a seed grant that accounted for at least one-third of their budget. But that is not an easy task and Pew Research identified about two dozen such outlets that had shut down or gone dormant in the period between 2008 and 2012.

Some of the smallest organizations—which support only one full-time salary or even less—may be labor-of-love enterprises that could disappear if and when the enthusiasm and energy of the founder/operator diminishes.

One conspicuous failure in local digital newsgathering is Patch, a group of community sites founded in 2007 and later purchased by AOL as part of an ambitious local news enterprise that at one point reached nearly 1,000 in number. The recent rounds of cuts, the latest implemented after AOL sold Patch in January, have reduced the workforce there by a reported three-quarters or more.

Many of the more prominent digital news organizations interviewed by Pew Research declined to talk in any detail about their financial health. Some, including Gawker and the Center for Public Integrity, have reduced staff at various points in their history. And for a number of them, profitability remains elusive.

Media analyst Ken Doctor has reported that at \$100 million in revenues, The Huffington Post is doing no better than [“flirting with profitability.”](#) At his First Look Media enterprise, Pierre Omidyar has indicated that the break-even point may be at least five years away and may require more than his announced \$250 million investment. At Quartz, the goal is to break even, or perhaps turn a small profit, in the next calendar year. According to press accounts, Global Post is not yet profitable. Henry Blodget’s Business Insider turned a profit in the fourth quarter of 2013, but he says it is more focused now on investing than return.

“Can you create a viable business model to support these ventures?” asks Quartz’s Kevin Delaney. “My experience says ‘yes.’”

And while many of these organizations talk about hiring young people with more digital acuity, Slate’s David Plotz wonders if there is a business model to support them when they age, have families and require a larger salary.

“The thing we haven’t seen in this huge surge of growth [is] can these sustain middle-aged people,” he said. “Can these models work? I don’t know that any of these new models have thought this out.”

FOR RELEASE March 26, 2014

Acquisitions and Content Sharing Shapes Local TV News in 2013

**FOR FURTHER INFORMATION
ON THIS REPORT:**

Amy Mitchell, Director of Journalism Research

Dana Page, Communications Manager

202.419.4372

www.pewresearch.org

About This Report

This report is a component of the State of the News Media 2014, the eleventh edition of the annual report by the Pew Research Center examining the landscape of American journalism. This year's study includes special reports about the revenue picture for news, the growth in digital reporting, the role of acquisitions and content sharing in local news and how digital video affects the news landscape. In addition, it provides the latest data on audience, economic, news investment and ownership trends for key sectors of news media. The full study is available online and includes a database with news industry trend data and a slideshow about how news functions on social media. This report's main author is Deborah Potter with collaboration from the following individuals. Find related reports about trends in journalism at pewresearch.org/journalism.

Deborah Potter, *NewsLab*

Amy Mitchell, *Director of Journalism Research*

Katerina Eva Matsa, *Research Analyst*

Mark Jurkowitz, *Associate Director*

Monica Anderson, *Researcher*

About Pew Research Center

Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping America and the world. It does not take policy positions. It conducts public opinion polling, demographic research, media content analysis and other empirical social science research. The center studies U.S. politics and policy views; media and journalism; internet and technology; religion and public life; Hispanic trends; global attitudes and U.S. social and demographic trends. All of the center's reports are available at www.pewresearch.org. Pew Research Center is a subsidiary of The Pew Charitable Trusts.

Alan Murray, *President*

Michael Dimock, *Vice President, Research*

Elizabeth Mueller Gross, *Vice President*

Paul Taylor, *Executive Vice President, Special Projects*

Andrew Kohut, *Founding Director*

© Pew Research Center 2015

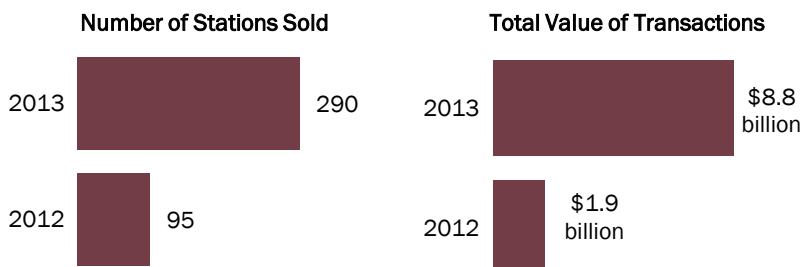
Overview

Local television in the U.S. saw massive change in 2013, change that remained under the radar of most Americans. Big owners of local TV stations got substantially bigger, thanks to a wave of station purchases. While the TV business profited, the impact on consumers is less clear and seems to vary from one market to the next. Still, the rapidly spreading practice of separately owned stations being operated jointly drew criticism from consumer groups and new scrutiny from federal regulators.

Almost 300 full-power local TV stations changed hands in 2013, at a cost more than \$8 billion. The 2013 total of 290 is 195 more stations than in 2012 and more than four times the dollar value.¹ Many of the deals resulted in stations in the same market being separately owned on paper but operated jointly, a practice that has grown exponentially in just the past two years. Joint service agreements of one kind or another now exist in at least 94 markets, almost half of the 210 local TV markets nationwide, and up from 55 in 2011.²

The impetus for most of these acquisitions and operating arrangements is economic, but it also has an effect on the local news that audiences receive. One measurable impact has been fewer stations originating local news content. That number has dropped by 8% since 2005. Fully a quarter of the 952 U.S. television stations that currently air local newscasts do not produce the programs themselves; another station provides

Local TV Acquisitions Hit a Record in 2013

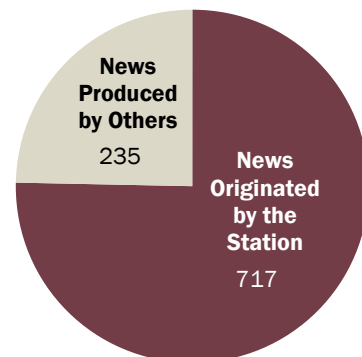


Source: BIA/Kelsey

PEW RESEARCH CENTER

One in Four Local Stations Do Not Produce News Content

Number of stations



Source: RTDNA/Hofstra University Surveys

Note: Based on survey responses of news directors at all commercial TV stations in 2012.

PEW RESEARCH CENTER

¹ Malone, Michael. "Study: \$8 Billion in Station Sales in '13." *Broadcasting & Cable*. Jan. 21, 2014.

² Yanich, Danilo. "Local TV News, Localism & Service Agreements." University of Delaware. Sept. 2013.

them, according to research that Bob Papper published in 2013 for the Radio Television Digital News Association.³

Other types of news sharing partnerships are also on the rise. Stations owned by the same company now routinely share news content regionally or groupwide. In some of the largest markets, local news services produce coverage for two or more competing stations. And more than three-quarters of local TV stations say they share news content with other media, including radio stations and newspapers, according to the most recent survey by the Radio Television Digital News Association.⁴

The economic benefits of station consolidation are indisputable and include the increase in retransmission fees paid to station owners and the boost in stock prices of companies on buying sprees. But the effect on the quality of news coverage consumers receive is far more complicated to assess.

Advocacy groups say station consolidation is depriving communities of the diverse sources of news they need to stay informed. "The original deal was [broadcasters] get free use of the public airwaves, you get the opportunity to make a nice living off of that, but in return you must serve the public interest," said former FCC commissioner Michael Copps, now with Common Cause. "They're public airwaves and they're supposed to be serving community interests and local markets, not one-shop news operations that span many outlets."⁵

Other observers say consolidation makes broadcast stations stronger so they are able to produce better news programs. "Consolidation gives the surviving stations more resources -- financial, technical and legal," said Harry Jessell, editor of the industry journal TVNewsCheck. "Also, in small markets, producing news on single low-rated stations is becoming [economically] untenable."⁶

And while the total number of people working in local TV news is at a near-record high, so is the amount of news their stations air. The average hours of weekday news programming actually declined slightly in 2012 (by six minutes), but that follows four straight years of increases and is still 46% higher than in 2003. What's more, newscast time on weekends expanded by more than 11% on Saturday and 5% on Sunday, from 2011 to 2012.⁷ Another area of increase has been in the

³ Papper, Bob. "[Newsroom Staffing Stagnates](#)." RTDNA.org. July 15, 2013.

⁴ Papper, Bob. "[Newsroom Technology, Partnerships Stabilize](#)." RTDNA.org. June 4, 2013.

⁵ Interview with author Deborah Potter, Nov. 12, 2013.

⁶ Email to author Deborah Potter, Jan. 12, 2014

⁷ Papper, Bob. "[Survey Shows Near-Record Year for Local News](#)." RTDNA.org. June 17, 2013.

very early morning time slots. Stations airing news at 4:30 a.m. increased 11% in 2013 to 271, up from 245 in 2012, according to Nielsen data. Those stations cut across 120 markets, up from 113 in 2012.

"You can argue that every time you add an outlet, that unless you add a commensurate number of staff people then you're just spreading yourself thinner and thinner," Papper said. "You could probably make an argument that there is a bigger toll being taken by spreading out the news on more and more outlets and in more and more newscasts than there is by consolidation."⁸

The FCC, the regulatory body that oversees broadcasting, heard dozens of complaints about TV consolidation in the past year as it continued a long-delayed review of the rules governing station ownership. While no action has yet been taken, broadcasters fear the agency will crack down on joint operating agreements. Early in 2014, the Justice Department warned that the practice could allow station owners to "influence or control" competitors and should be more tightly regulated.⁹

In this report we examine the details of the massive rise in acquisitions--a phenomenon that flies under the radar of the average local television news viewer--the incentives behind them and the ramifications for the consumer.

⁸ Interview with author Deborah Potter, Oct. 21, 2013.

⁹ Flint, Joe. "[Justice Department Wants Tougher Oversight of Local Broadcasters](#)." Los Angeles Times, Feb. 21, 2014.

A Surge in Local TV Acquisitions Puts More Stations in the Hands of a Few

Many of the 290 TV station purchases in 2013 occurred as group acquisitions by some of the largest owners, building their portfolios of stations even more.¹⁰ The Tribune Co. emerged from bankruptcy to make the richest single deal, spending \$2.73 billion to acquire 19 stations from Local TV Holdings.¹¹ Gannett completed a \$2.2 billion transaction to buy 17 stations from Belo Corp., almost doubling Gannett's TV holdings and giving it national reach.¹² Twelve stations changed hands when Media General merged with New Young Broadcasting.¹³

Top Local Television Station Deals in 2013

Buyer	Seller	Number of Stations	Price (in millions)
Tribune	Local TV Holdings	19	\$2,725
Gannett	Belo Corporation	17	2,200
Sinclair	Allbritton	7	0.985
Sinclair	Fisher Communications	22	0.373
Sinclair	Barrington Broadcasting	24	0.370

Source: BIA/Kelsey

Note: Numbers represent the total number of stations purchased on the closing date of the deal, including stations where ownership was transferred to another company but operational control remained with the initial buyer.

PEW RESEARCH CENTER

¹⁰ Broadcast groups weren't the only ones buying stations. SNL/Kagan reports that investment companies also snapped up stations with an eye toward selling their spectrum in an expected FCC auction in 2015. See: "[Spectrum Aggregation Spurs TV Station Sales](#)." TVTechnology.com. March 1, 2013.

¹¹ "[FCC Approves Tribune Co. Acquisition of Local TV](#)." Chicago Tribune. Dec. 20, 2013.

¹² Davidson, Paul. "[Gannett Completes Its Belo Acquisition](#)." USA Today. Dec. 24, 2013.

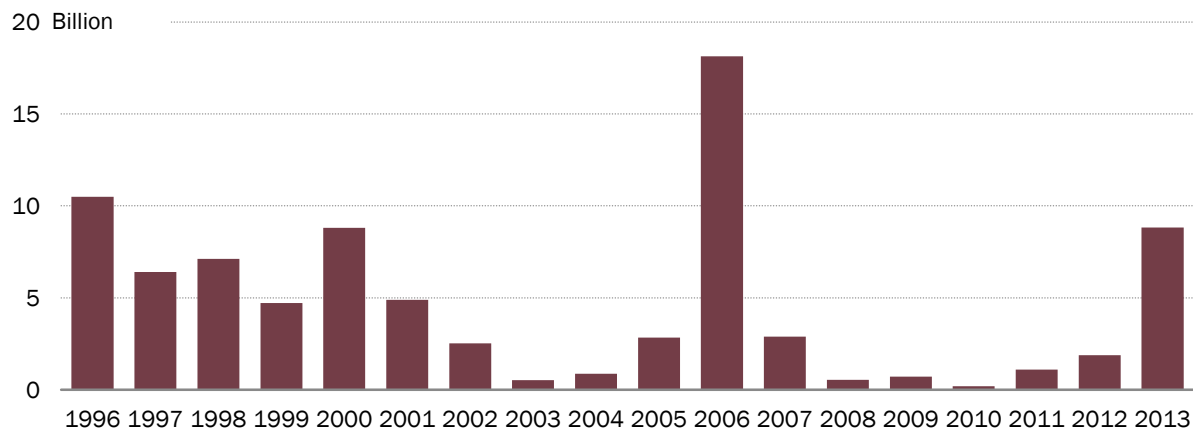
¹³ "[Media General and Young Broadcasting Announce Merger Agreement](#)." MediaGeneral.com. June 6, 2013.

Sinclair Broadcasting acquired more individual stations than any other buyer, snapping up outlets owned by locally based companies like Fisher Communications in Seattle and Allbritton Communications in Washington, D.C. The company already owned the most local stations of any group; if all pending sales go through, Sinclair will own or provide services to 167 television stations in 77 markets, reaching almost 40% of the U.S. population.¹⁴ Nexstar Broadcasting made moves to increase its portfolio to 108 stations in 56 markets. In 37 of those markets, it will own or provides services to more than one station.¹⁵ Nexstar's chief executive, Perry Sook, predicted the "rolling M&A thunder" would continue throughout 2014, and it has.¹⁶ In March, Media General announced plans to buy LIN Media's 43 stations for \$1.6 billion.¹⁷

Other broadcast executives also expect the market to stay hot. Speaking at the UBS Media Conference in New York last December, Sinclair CEO David Smith predicted that the current rush of consolidation would last another year or two. And he made clear what his ultimate goal would be: "I'd like to have 80 percent of the country if I could get it. I'd like to have 90 percent."¹⁸

Value of Television Mergers and Acquisitions

In dollars



Source: BIA/Kelsey

PEW RESEARCH CENTER

¹⁴ ["Sinclair Broadcast Group Company Profile."](#) SBGI.net. Retrieved March 11, 2014.

¹⁵ ["Nexstar Broadcasting Fourth Quarter Net Revenue Rises 18.9% to a Record \\$138.1 Million."](#) Nexstar.TV. Retrieved March 11, 2014.

¹⁶ Jessell, Harry. ["Sook Forecasts More 'Rolling M&A Thunder.'"](#) TVNewsCheck. May 9, 2013.

¹⁷ ["Media General to buy LIN Media for \\$1.6 billion."](#) Reuters. March 21, 2014.

¹⁸ Under current regulations, individual broadcasters are prohibited from reaching more than 39% of the U.S. population. See "Regulation."

The buying binge continues despite federal limits on station ownership. The FCC [currently prohibits](#) one company from owning more than one of the four top-rated TV stations in a single market.¹⁹ But there is no rule prohibiting broadcasters from managing more than one station per market. Many of the deals agreed to in 2013 took advantage of that loophole. Companies that made deals to buy groups with stations in markets where the rules would prohibit joint ownership arranged to spin off those stations to other owners but retained effective control through joint operating agreements.²⁰ "Essentially, side-car companies or license holding companies are formed to hold the license, but the primary or ultimate parent in the case is actually operating the station," said Justin Nielsen of SNL/Kagan.²¹

Broadcasters say these agreements are entirely within the boundaries set by the FCC. "I can walk right up to that line and look right at that line," said Sinclair's Smith. He calls the arrangements "necessary for survival," given the increased competition broadcasters face from cable and the Internet.²² Owning or providing services to multiple stations in a market provides "efficiencies and economies of scale," said Tribune vice president Larry Wert.²³

The savings from large-scale consolidation can run into the millions of dollars. Gannett estimated its acquisition of Belo would net the company about \$175 million a year within three years after the deal closed, mostly from reduced corporate costs and higher income from retransmission fees paid by cable and satellite systems that carry its local channels.²⁴

Top Local TV Companies

Company	Number of Stations	Number of Markets
Sinclair	167	77
Nexstar	108	56
Gray	73	40
LIN Media	43	23
Tribune	42	34
Media General	31	28
CBS	29	19
Gannett	43	33
Scripps	19	13
Meredith	13	11
Graham Holdings	6	6

Source: Individual media company press releases and websites.

PEW RESEARCH CENTER

¹⁹ [Review of the Broadcast Ownership Rules](#). FCC.gov. Accessed Jan. 7, 2014.

²⁰ The three most common types of agreements between broadcast stations are shared services agreements, joint sales agreements and local marketing agreements. See: Lovelady, Steve. "[TV Shared Services Agreements: Danger Ahead!](#)" CommLawBlog.com. Nov. 27, 2011.

²¹ Interview with author Deborah Potter. Sept. 30, 2013.

²² Hagey, Keach. "[Sinclair Draws Scrutiny Over Growth Tactic](#)." Wall Street Journal. Oct. 21, 2013.

²³ Jessell, Harry. "[For Tribune's Wert, Bigger Is Much Better](#)." TVNewsCheck. July 10, 2013.

²⁴ Launder, William and Drew Fitzgerald. "[Gannett to Buy Belo, Expanding TV Portfolio](#)." Wall Street Journal. June 13, 2013.

Impact of Consolidation on TV Economics

The business benefits of consolidation are clear and unmistakable. Stations save on overhead by combining back office operations, including sales and engineering. They often move in together, cutting costs by sharing office and studio space. In Columbus, Ohio, for example, Sinclair's ABC affiliate, WSYX, is housed in the same building as the Fox affiliate, WTTE, owned by Cunningham but operated by Sinclair. The ABC and Fox affiliates in Springfield, Mass., owned by Gormally Broadcasting, share studios and live-broadcast trucks, branded with both stations' logos.

A Live Truck Shared by Two Springfield, Mass., Stations Covers a News Story in Nearby Northampton



Notes: Photo courtesy of Deborah Potter. Dec. 13, 2013.

PEW RESEARCH CENTER

Another key benefit of consolidation is in the fast-growing revenue stream of retransmission fees. The more stations a company owns or operates, the more leverage it has to demand higher retransmission fees. "Scale matters just to even the level [of the] playing field," said Nexstar's Sook. "Without retransmission fees, we'd look more like the newspaper business rather than TV business."²⁵

Bigger companies also have more clout to negotiate programming deals with networks or syndicators. "If you wanted a decent seat at the table talking to those guys, you had to have scale," said Barry Lucas, senior vice president of research at the investment firm Gabelli & Co. "Otherwise you were irrelevant and got pushed around."²⁶

²⁵ Yu, Roger. "[Retransmission Fee Race Poses Questions for TV Viewers.](#)" USA Today. Aug. 2, 2013.

²⁶ Gollum, Rob, Edmund Lee and Andy Fixmer. "[Sinclair on Prowl for More TV Stations as Deals Mount.](#)" Bloomberg. June 19, 2013.

Station groups with the advantage of size have been pushing back, more than willing to let their stations go dark on distribution systems to press for higher fees, as CBS and Media General did in 2013. CBS reportedly won a 150% fee hike from Time Warner Cable to nearly \$2 per subscriber in New York, Los Angeles and Dallas, more than double the industry average.²⁷

The explosive growth of retransmission revenue was on display at the UBS conference late in 2013 as station group executives rolled out the numbers. Meredith Corp., which owns 13 local stations, reported that retransmission dollars had more than tripled in the last three years. Scripps CEO Rich Boehne said the fees had jumped from \$11.7 million in 2010 to \$42 million in 2013. Media General CEO George Mahoney said his company had enjoyed roughly a six-fold increase in retransmission revenue in four years—from about \$12 million in 2008 to nearly \$70 million in 2012.

Stations keep only about half of that revenue--the rest goes to the networks in reverse compensation²⁸ --but the end result for station owners has been a substantial increase in the value of their broadcast properties.²⁹ "They're all saying, 'Oh my God! Retrans is a serious amount of money,' " said CBS president Les Moonves. "Stations, therefore, are much more valuable than they ever were."³⁰

²⁷ Eule, Alexander. "[Boom Time for Broadcast Stocks](#)." Barron's. Sept. 21, 2013.

²⁸ Reverse compensation is the practice of a commercial television station paying a television network in exchange for being permitted to affiliate with that network. The word "reverse" refers to the historical practice of networks paying stations to compensate them for the airtime networks used to run network advertisements during their programming.

²⁹ Marszalek, Diana. "Ryvicker: Stations Losing \$10.4 Billion in Retrans." TVNewsCheck. Sept. 18, 2013.

³⁰ Eck, Kevin. "[Moonves Says CBS Local Stations Worth More After Time Warner Battle](#)." MediaBistro. Sept. 12, 2013.

Retransmissions is only part of the reason TV stations have increased in value. Stations airing local news, whether they produce it themselves or get it from someone else, also pull in more advertising revenue. "All the money is in news," said Meredith chief executive Stephen Lacy, whose company is looking to buy more stations and is targeting those with top-rated newscasts.³¹ News generates almost half the revenue for the average TV station, according to Radio Television Digital News Association research.³² Under a typical joint operating agreement, a station that provides services for another station gets to keep about a third of that channel's advertising revenue.³³

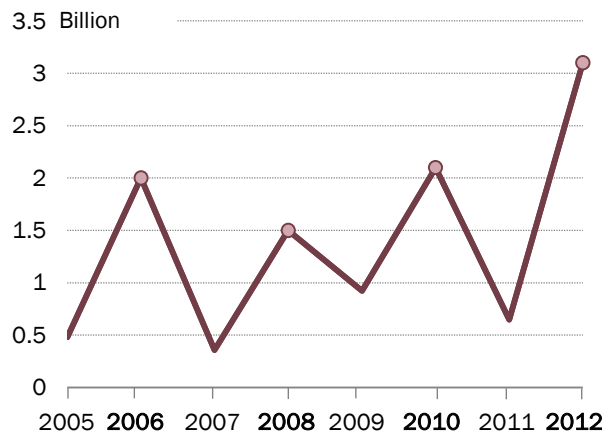
The potential for significantly higher ad revenue in election years also boosted stations' value. In the 2012 presidential campaign--the first one conducted after the [Supreme Court's landmark 2010 Citizens United ruling](#) --a record [\\$3.1 billion in political ad revenue](#) was spent in local television and many companies have reported huge increases in political ad revenue from the 2008 to the 2012 presidential cycles. At Scripps, for example, that revenue went from \$41 million in 2008 to \$107 million four years later, although at least some of that increase is due to Scripps' purchase of more TV stations.

As a result, broadcasters are looking to buy stations in politically competitive states. Nexstar cited "political advertising activity" as a major reason it bought two Citadel stations in Des Moines and Sioux City, Iowa—a crucial caucus state where presidential campaigns spend millions on TV ads.³⁴ It picked up two more Iowa stations in a separate deal.³⁵

Wall Street's response to consolidation and the growth in retransmission fees has been to push broadcast stock prices considerably higher. Nexstar's stock value more than tripled in 2013, while

2012 Marked a New High in Political Advertising

In dollars



Source: Television Bureau of Advertising

PEW RESEARCH CENTER

³¹ Saba, Jennifer. "[Meredith CEO on the Hunt for More TV Stations](#)." Reuters. Dec. 9, 2013.

³² Papper, Bob. "[Newsroom Staffing Stagnates](#)." RTDNA.org. July 15, 2013.

³³ Lovelady, Steve. "[SSAs and JSAs - Some Unwritten Rules](#)." CommLawBlog. March 26, 2012.

³⁴ "[Nexstar. Mission Buying 5 Stations for \\$103M](#)." TVNewsCheck. Sept. 16, 2013.

³⁵ "[Nexstar to Pay \\$87.5M for 7 Grant Stations](#)." TVNewsCheck. Nov. 6, 2013.

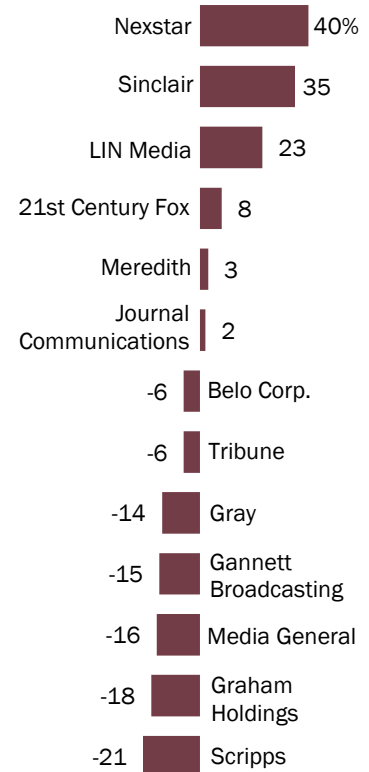
Sinclair's more than doubled. Gannett's stock price jumped 34% the day it announced it was buying Belo.³⁶ "The broadcasting industry has developed a reputation for being a great generator of cash," said Michael Alcamo, president of investment banking firm M.C. Alcamo & Co.³⁷

Expanding companies like Nexstar and Sinclair also **reported sharply higher third-quarter revenue in 2013**, bucking the expected trend of lower broadcast revenue in years without elections or Olympic Games to drive ad spending. Nexstar revenue was up 40%; Sinclair's up almost 35%. With the exception of LIN Media, which also posted a double-digit gain, other broadcast groups reported losses or single-digit gains. The revenue from newly acquired stations accounted for most of the gains, but Sinclair said its revenues from stations it already owned were up 11% year over year, thanks to higher retransmission fees.³⁸

Consolidation may be good for broadcast companies, but the cable companies that negotiate with broadcasters over the growing retransmission fees argue that it is bad for consumers. As large-scale broadcasters secure higher retransmission fees, "consumers ultimately foot the bill in the form of higher cable rates," said Matthew Polka, president of the American Cable Association, which represents small and medium-sized cable companies.³⁹ A 2013 report from the Federal Communications Commission found that the average monthly bill for expanded basic cable had increased, on average, about 6% a year between 1995 and 2012.⁴⁰ Currently, cable and satellite systems pay broadcasters only about 10% of what they have to give channels like HBO and Discovery, according to SNL Kagan, but the fees paid per subscriber are moving toward parity.⁴¹

The Revenue Picture at Local TV Station Groups

% change 2013 third quarter vs. 2012 third quarter revenues



Note: This is the first quarter 21st Century Fox reports as a separate company.

Source: Company Data and News Reports, Q3 2013 Revenue vs. Q3 2012.

PEW RESEARCH CENTER

³⁶ Eule, Alexander. "Boom Time for Broadcast Stocks." Barron's. Sept. 21, 2013.

³⁷ Malone, Michael. "Street Takes Stock of Broadcasting Resurgence." Broadcasting & Cable. Oct. 7, 2013.

³⁸ "Sinclair Posts Gain in 3Q Revenue." TVNewsCheck. Nov. 6, 2013.

³⁹ "ACA Urges FCC Review of TV Station Duopolies." American Cable Association. Undated.

⁴⁰ "Report on Cable Industry Prices." FCC.gov. June 7, 2013.

⁴¹ Marszalek, Diana. "Station Retrans Fees Up but ESPN Still King." TVNewsCheck. June 6, 2013.

Shared Operations and News Production

Local TV stations that share news operations or content do so in a number of different ways, which have varying impacts on the news programming available to consumers. The most common type of news sharing arrangement involves one newsroom producing newscasts for more than one outlet in the same market. In most cases, both stations are either owned or operated by the same company.

Co-owned stations are known in the broadcast industry as duopolies. In Boston, for example, Sunbeam Television owns the NBC affiliate, WHDH. It was allowed to buy what was then the WB affiliate, WLVI, from Tribune in 2006 because that station was not among the top four rated television outlets in the market. Other sales have been approved by the FCC under what is known as a "failing station waiver," which allows a sale to go through on the ground that it is the only way to keep the station being acquired on the air.

Jointly operated stations are known as virtual duopolies. Sinclair, for example, has an operating agreement with Cunningham Broadcasting, which is controlled by the family trusts of Sinclair's owner, David Smith. Cunningham owns six stations, all of which are run by Sinclair.⁴² Cunningham stations that run local news get it from a Sinclair station. Nexstar has a similar arrangement with Mission Broadcasting, which owns 20 stations, all of them in markets where Nexstar also owns a station. Nexstar holds a controlling interest in Mission, according to its SEC filings, and operates all of Mission's stations.⁴³ None of Mission's news operations are independent from Nexstar.

⁴² Yu, Roger. "[Sinclair Emerges as a Major Broadcasting Player](#)." USA Today. Sept. 20, 2013.

⁴³ Nexstar Broadcasting SEC filing [10K Annual Report](#). March 2013.

How Shared News Production Works

Sometimes, the result of newsroom consolidation is simulcasting, where one station carries a newscast that also airs on another station at the same time. For example, ABC affiliate WLAJ in Lansing, Mich., owned by Shield Media, began simulcasting news in 2013 from the local CBS affiliate, WLNS, owned by Media General. WLAJ had not aired a local newscast since 2009, when it scrapped its news department.⁴⁴

The CBS and NBC affiliates in Honolulu, both owned by Raycom, simulcast identical early evening and late newscasts on both channels. "If you turn the channel, you're seeing the same anchors, the same news set," said Derek Turner, research director of the media watchdog group Free Press. "The only thing that's different is the little logo on the bottom of the screen."⁴⁵ The stations' combined newsroom also produces a separate newscast for a third outlet, the MyTV affiliate.⁴⁶

Hawaii News Now Anchor Appears on Two Stations at the Same Time



Notes: Hawaii News Now Anchor Stephanie Lum Appears on Two Stations at the Same Time, CBS Affiliate KGMB and NBC Affiliate KHNL. The only difference between the two stations' 10 p.m. newscasts is the station "bug" in the lower third super.

PEW RESEARCH CENTER

⁴⁴ "6 News to Run on ABC Station," WLNS.com. April 1, 2013. "[Our History](#)." MyGTNTV. Undated.

⁴⁵ Interview with author Deborah Potter. Oct. 18, 2013.

⁴⁶ Chiem, Linda. "[Hawaii TV Merger to Shake Up Three Workplaces](#)." Pacific Business News. Aug. 27, 2009.

A second, more common type of news sharing involves one newsroom producing newscasts for two stations that air at different times, but with identical anchor teams and almost all of the same content. Some small-market stations like KRHD in Bryan, Texas, and WDFX in Dothan, Ala., employ only a few journalists. They cover stories that are inserted into newscasts produced by co-owned stations in nearby cities.

ABC Affiliates in Texas Share News Content



Note: ABC affiliates in Waco and nearby Bryan, Texas, owned by Drewry Communications, share news content and the same anchor team.

PEW RESEARCH CENTER

In most cases, these newscasts that use the same anchor team on different stations in the same market are branded separately, but not always. In Chico, Calif., for example, ABC affiliate KRCR, owned by Bonten, produces a 10 p.m. newscast for the Esteem-owned Fox affiliate, but brands it "KRCR News Channel 7 on FOX 20." In Grand Rapids, Mich., the NBC affiliate WOOD produces news for the co-owned MyNetworkTV station but promotes it as a WOOD News 8 product.

A third type of news sharing arrangement involves consolidated newsrooms producing newscasts with separate news anchor teams but using many of the same reporters and stories. In Syracuse, N.Y., for example, the 11 p.m. newscast on CBS affiliate WTVH, owned by Granite, is produced by Sinclair's NBC affiliate WSTM, which airs its own late news at the same time. The programs have different news anchors, but share weather and sports anchors, whose segments have to be scheduled down to the minute to give them time to change locations. In West Palm Beach, Fla, the Scripps-owned NBC affiliate, WPTV, produces morning, afternoon and late news for Raycom's Fox affiliate, WFLX.

A fourth, much less common, type of sharing arrangement involves stations with consolidated newsrooms airing different newscasts with entirely separate on-air staffs. Researcher Bob Papper knows of fewer than 10 English-language newsrooms that operate this way, and he counts them as separate originating stations.⁴⁷

NBC and Telemundo, both owned by Comcast, share newsrooms in seven U.S. markets and produce separate news programs in two different languages (English and Spanish) (pending footnote). "Our NBC newsrooms are so much larger than the Telemundo newsrooms that if you combine them, it gives Telemundo so many more resources to do a better job for the Spanish-language viewer that I think is underserved and needs more information," said Valari Staab, president of NBCUniversal television stations.

Grand Rapids NBC Affiliate Produces a Nightly Newscast for Another Station



24 Hour News 8 at 10pm on WXSP 4 years ago

The same in-depth news and weather coverage you rely on, only one hour earlier.

Note: NBC Affiliate WOOD (News 8) in Grand Rapids, Mich., owned by LIN Media, Produces a Nightly Newscast for WXSP, a MyNetworkTV Station Also Owned by LIN, and Promotes It as a News 8 Product.

PEW RESEARCH CENTER

⁴⁷ Interview with author Deborah Potter. Oct. 21, 2013.

In Miami, NBC's WTVJ and Telemundo's WSCV also share a new investigative unit with a lead reporter who is fluent in both English and Spanish and who reports for both stations. NBC-owned stations have also outsourced production of the sports segments in their newscasts to local SportsNet channels in San Francisco and Philadelphia owned by Comcast, the parent of NBC.⁴⁸

Sharing agreements can involve combined websites, often featuring logos of both stations, even when they are separately owned. MyStateline.com, for example, is the joint website of Nexstar-owned WQRF and Mission's WTVO in Rockford, Ill. ActionNewsJax.com is the joint website of Cox-owned WAWS and WTEV, owned by Bayshore Television, in Jacksonville, Fla.

News Websites Feature Logos of Both Stations



PEW RESEARCH CENTER

⁴⁸ Eichel, Molly. "[Comcast SportsNet Takes Over Sports Duties from NBC10.](#)" Philadelphia Daily News. Nov. 18, 2013.

Impact of Shared News Production on Local TV Viewers

A number of television executives and observers say news sharing agreements, driven largely by the wave of station consolidation, offer real benefits for local viewers. For one thing, they say, these agreements make local news available to more viewers by giving them a choice of how it is presented and when to watch it. But critics say that convenience comes at the cost of competition and diversity in news content.

The overall impact of news sharing is difficult to assess. In some cases, these agreements have reduced the variety of voices and news content available to local viewers; in other cases, they have strengthened quality and enabled underfunded or smaller stations to continue providing news.

"TV stations don't have some of the sources of revenue that they've had in the past, like network compensation," said David Oxenford, an attorney with the law firm Wilkinson Barker Knauer, who represents broadcasters before the FCC. "A local operator, if you're not one of the big stations in the market, may not be very successful and may not be able to afford to do very much in the way of news except for some of these arrangements."

Media watchdog groups and consumer advocates, however, argue that in many markets, content sharing results in a diluted and duplicated news product. They dismiss the contention that airing similar newscasts at different times is a net gain for consumers. "If news comes on at 9 o'clock instead of at 10 o'clock, the public interest benefit of that I think is marginal at best," said S. Derek Turner of Free Press, one of those advocacy groups. "It's not adding another voice."

The size and complexity of the local TV news industry makes it challenging to get a definitive sense of the impact of the various sharing arrangements. Here, we examine three different elements that can speak to impact: the number of television stations originating local news; the level of repurposed content, which requires a station-by-station comparison; and the level of reporting power present.

For most of the last decade, the total number of stations that carry local news remained relatively steady. Bob Papper's data show that on average about eight stations a year stop producing local news and about the same number begin airing it, leaving the total number of news-carrying stations about the same.

What has changed is the number of stations originating their own local news, down 8% from a peak of 778 in 2005. That amounts to a net loss of 61 stations that used to produce their own newscasts. The most recent Radio Television Digital News Association survey shows 717 stations

producing news for their own viewers and for an additional 235 stations. An update of that survey, now in progress, is expected to show that the number of stations carrying news produced by someone else is now over 300. That looks like a sharp increase in just one year, but Papper cautions that it may be due largely to undercounting in the past. The bottom line: More than one out of four U.S. television stations that run local news get it from someone else.⁴⁹ But the majority of those stations, 175 from the 2012 analysis, never produced their own news. That list includes stations affiliated with networks like CW and MyNetworkTV, and about 60% of all Fox affiliates that carry local news. If not for shared service agreements, these stations would air no local news.⁵⁰

Beyond the numbers is the question of the content itself. These arrangements do give viewers a new option—the chance to watch local news at different times on different channels. But in some markets, where stations stopped producing their own local newscasts to carry news from another station, viewers have lost independent sources of news. To help get a sense of the impact of these arrangements, the lead author of this report examined 18 newscasts on six stations in three mid-level markets where combined newsrooms are most common. The findings suggest that the impact can be significant, but varies substantially from market to market.

In **Little Rock, Ark.** (the 56th-largest TV market in the country), where Nexstar runs a virtual duopoly, the company's director of local content, Jerry Walsh, says the audience still gets a real choice. "The viewer sees a distinct brand on both television stations," he said. "There are separate anchors, separate graphics packages. You're seeing stories specific for an NBC station that might be a little bit longer, a little bit more in depth, where the Fox station is probably a little bit more fast-paced, more live shots. I would say the core story would be the same; there would be some treatments that would be a little bit different."

On one night in December, the two stations' early evening newscasts were noticeably different. Fox station KLRT, which bills itself as "Arkansas' breaking news leader," led its 5:30 p.m. newscast with a live report on a murder trial. At 6 p.m., NBC station KARK, whose tag line is "local news that matters," led with a reporter package on health insurance. Each station covered the other station's lead story later in their newscasts. Two reporters appeared on both newscasts -- David Goines covered the health insurance story for both stations while Josh Berry covered the costs of holiday lights for NBC and a story about stolen checks for Fox. Each station reported several stories that the other station did not cover.

⁴⁹ Papper, Bob. "[Newsroom Technology. Partnerships Stabilize.](#)" RTDNA.org. June 4, 2013.

⁵⁰ Interview with author Deborah Potter. Jan. 23, 2014.

The same pattern held true on a January evening. The top story at 5:30 on the Fox station was a report by Maxine Ridling on a murder case; the NBC station ran the story sixth in its lineup as an anchor "tell," with no reporter package. On another December night, we screened the stations' late newscasts. KLRT's 9 p.m. program runs an hour, so it can cover far more stories than KARK's half-hour news at 10. But the later, shorter newscast still included stories not covered at all on KLRT, including a lead story on child abuse.

In **Syracuse, N.Y.** (market No. 84), though, where CBS affiliate WTVH shares a newsroom with NBC affiliate WSTM, the content viewers get is much the same on both stations. Their late newscasts often have the same lead story and run identical reporter packages, video and sound bites. Reporters do not mention either station's call letters in their sign-offs, so their stories can run on either channel. The newscasts differ primarily in presentation and style. The CBS affiliate begins with a check on the weather and a "top 5 on 5" summary of the major stories, but covers fewer stories over all and at greater length than the NBC affiliate. One night in December, for example, the NBC station's late newscast included 14 stories, just one of which was a local reporter package, while the CBS station covered nine stories, with three local reporter packages and one network package (on the death of South African President Nelson Mandela). On another night, each station's 6 p.m. newscast mentioned just two brief stories that were not covered by the other station, and both stations aired two identical reporter packages. On the late news on a January night, both stations not only ran identical packages on the same lead story, but they also ran the same package from a reporter in Washington, D.C., who works for Sinclair, the company that owns WSTM.

In **West Palm Beach, Fla.**, the 34th-largest market, one combined newsroom produces 57 hours of news each week for the separately owned NBC and Fox stations. "We've been very strategic, with separate stories for the Fox station at 10, different from 11," said Lana Durban Scott, director of news strategy for Scripps, which owns the NBC affiliate, WPTV. "There's so much going on we need to not minimize what we're covering and not repurpose it."

But West Palm Beach viewers who happened to watch both of the stations' late newscasts on one December evening would have seen the same reports by Dan Corcoran and Evan Axelbank within the first five minutes of each program. A feature Axelbank reported for the Raycom-owned Fox station turned up on the NBC station as well, with the same video and sound bites, having been re-voiced by the Fox anchor. In all, nine of the 14 stories in the half-hour WPTV newscast at 11 p.m. had already been covered by WFLX in its one-hour program at 10. There was somewhat less repetition on the stations' early evening newscasts on another night. The two newscasts had a dozen stories in common but not in the same order or at the same length. Also, WFLX's 4 p.m. newscast had 14 stories that were not carried on WPTV an hour later, and the later newscast had

12 stories that were not mentioned on the earlier program. But the one reporter package that aired on both stations might have left some viewers confused. The taped story included the sign off "WPTV, NewsChannel 5" on both stations.

On a January evening, however, the first half hour of the two early newscasts had almost all of the same content, just in a different order. And on the 5 p.m. newscast, WPTV reported "just into our newsroom" information that had already aired on WFLX an hour earlier.

Danilo Yanich of the University of Delaware says his research has determined that consolidation, in general, has had a negative effect on local content in television news. In a comparative analysis of TV news in eight markets, Yanich, director of the Local Television News Media Project, found that stations with news sharing agreements presented significantly less local content than other stations in those same markets.⁵¹ "You have viewing choices across these local stations but you really don't have alternatives if they are presenting the same thing," Yanich said. "That's what's wrong with it."

Another question connected to the mix of content is the level of reporting power present in a market. In some cases, joint operating agreements and station sales lead to the closure or shrinkage of television newsrooms. At least 65 staffers, from both in and outside the newsroom, lost their jobs as a result of the TV consolidation in Hawaii, fully a third of the total employed by the stations before the merger.⁵²

Some other examples of cutbacks in 2013 include:

- Albany, N.Y.: Fox affiliate WXXA, owned by Shield Media, dismantled its newsroom and began running newscasts produced by ABC affiliate WTEN, owned at the time by New Young Broadcasting. About thirty people were let go.⁵³
- Little Rock, Ark.: After Mission bought Fox affiliate KLRT, it signed a shared services deal to carry news produced by Nexstar's NBC affiliate, KARK. Within a few months, about 28 people were laid off at the two stations.⁵⁴
- Eugene, Ore.: NBC affiliate KMTR let 31 people go after it was bought by Fisher and the newsroom was merged with that of CBS affiliate KVAL, then operated by Fisher.⁵⁵

⁵¹ Yanich, Danilo. Local TV News, Localism & Service Agreements. University of Delaware. Sept. 2013.

⁵² ["KHNL/KFVE, KGMB Merger to Cut 68 Jobs."](#) KITV.com Aug. 19, 2009.

⁵³ Anderson, Eric and Kristen V. Brown. ["Stormy Weather: WXXA Cuts Jobs."](#) TimesUnion.com. March 22, 2013.

⁵⁴ Knable, Kate. ["Nexstar, Mission Separate Companies in Eyes of FCC Despite Appearances."](#) Arkansas Business. Feb. 4, 2013.

⁵⁵ Eck, Kevin. ["Advertisers Wary of KMTR After Reported Layoffs."](#) MediaBistro.com. June 7, 2013.

- Fresno, Calif.: At least two anchors at KSEE were forced out after Nexstar bought the station and merged its news operations with co-owned KGPE.⁵⁶ KGPE also shed a long-time anchor, and four photographers and editors after the merger.⁵⁷

Over all, however, total employment in TV news has been at a near-record level for the past two years, according to researcher Bob Papper, and the average TV news staff is the biggest it has ever been. "It's clear that all the jobs lost have been picked up elsewhere," he said.

Raycom Vice President of News Susana Schuler says the quality of the news produced by the consolidated Honolulu newsroom is better than either of the two stations could have produced on its own. "We have a larger newsgathering force than either station had all by itself," she said. "We have been able to bring a much stronger level of news coverage to the market than either station was able to produce by itself before."

Sinclair says it has made substantial investments in the newsrooms it operates, adding 72 overall positions since 2012. In a written statement, the company's executive vice president Barry Farber said that Sinclair stations added 81 hours of news over that same time period.⁵⁸

And some industry observers say that in a few markets, consolidation has helped weak stations improve. In Peoria, Ill., the Granite-owned NBC station, WEEK, produces news for the ABC affiliate, owned by Sinclair. "The ABC affiliate was in dire straits financially," says former WEEK news director Jim Garrott, who left before the stations combined their news operations in 2009. "Now it's stronger. They hired some people and the news has improved." The two stations share news content and some on-air staff but maintain separate anchor teams. "People in the community have gotten used to it," Garrott said. "I think they still pick their favorite program based on timing and who is on it."

In Fresno, Nexstar now owns two network affiliates—the CBS and NBC stations—both of which were struggling financially and ranked no better than fourth in the ratings, according to Fresno Bee media writer Rick Bentley, who has covered the market for 25 years. Nexstar built new studios for both stations in a shared building. "They're the first people in a long time to come into either of those two stations and put in money," Bentley said. Although some long-time employees were let

⁵⁶ Munro, Donald. "[Losing Faith With Channel 24](#)," FresnoBeeHive.com. July 6, 2013.

⁵⁷ Bentley, Rick. "[Four Veteran Employees Laid Off at KSEE/KGPE](#)," Fresno Bee. Oct. 8, 2013.

⁵⁸ "[Sinclair Comments on Inaccurate and Irresponsible Report Released by Free Press](#)," PRNewswire. Oct. 24, 2013.

go, "you now have a pretty decent sized staff that's reporting to one news director, so to that end they have more feet on the ground."⁵⁹

⁵⁹ Interview with author Deborah Potter. Oct. 28, 2013.

Groupwide News Sharing

Content sharing by local television newsrooms also occurs across markets. Stations in different markets that are owned or operated by the same company share content regularly, both on air and online, and these collaborations have exploded in the past two years thanks to the pace of consolidation and new technology.

News sharing across station groups plays out in a number of different ways. In some cases, it gives stations the opportunity to air stories produced by a nearby station on a topic that affects local viewers. It can also bolster coverage of state government by stations outside the capital, or give newsrooms a leg up when a big story breaks in a market where they have a sister station. A potential down side to groupwide sharing is that smaller stations may have to rely on stories from larger stations in the group to fill their newscasts, instead of being given more resources to cover news in their own markets.

Broadcast groups like Nexstar and Raycom have made it a priority to add stations within a state or region, allowing them to share news content of regional interest.⁶⁰

Nexstar owns or operates eight network affiliates in New York State and another in Vermont that serves part of eastern New York. Those stations share 40 to 50 video clips a day, on average,

Raycom Stations Are Clustered in the Southeast and Midwest



Source: Raycom [website](#)
PEW RESEARCH CENTER

Nexstar Stations Are Concentrated in the Northeast and Midwest



Nexstar Broadcasting owns, operates, and programs or provides sales and other services to television stations located in NY, PA, IL, IA, IN, MO, TX, LA, AR, AL, MI, MD, MT, FL, TN, UT, VT, WI and CA.

PEW RESEARCH CENTER

⁶⁰ "[Nexstar. Mission Buying 5 Stations for \\$103M.](#)" TVNewsCheck. September 16, 2013.

according to Jerry Walsh. Nexstar also produces a statewide noon newscast in Little Rock for its four stations in Arkansas.⁶¹

"Viewers across the country have told us regional is local, provided that you're putting it in the right context," Walsh said. "Viewing reporters regionally, they can be great contributors to your local newscasts." He points out that the typical local television newscast routinely includes secondary or feature stories from network feeds that might not appeal to a local audience as much as a story from a nearby station. "Do I want to hear about a story on the other side of the country or would I rather hear about a story somewhere else in my state that I can relate to?"

Broadcast groups that own stations in state capitals provide government coverage to stations they own or operate in that state. Raycom has reporters on staff at its stations in Montgomery, Ala.; Baton Rouge, La.; Columbia, S.C.; and Jackson, Miss., for example, who file stories from their capitals for multiple stations across their states. "That's not something that a network or CNN or an AP partner is able to do to the level we think we should do," said Raycom's Schuler.

New technologies have made sharing content among stations faster and easier. NBC and Nexstar stations, among others, use a third-party provider to transfer high-definition video in a fraction of the time it would take to send via FTP, or file transfer protocol, which is used to transfer files between computers on a network.⁶² Producers can watch a real-time preview of a story before deciding whether to download it. "We can shoot something, post it, download it and get it on the air within 15 minutes," said Walsh.

Mobile newsgathering technology has enabled stations to share news as it happens with other stations in their group for a fraction of what it used to cost. Cellular connections can either supplement or replace expensive satellite and microwave trucks.⁶³ For example, local reporters from the Raycom station in Birmingham, Ala., were able to go live during a bomb scare at the airport using a smartphone app. Their coverage was made available live to all Raycom stations through a shared server. "Never had to power up a live truck, never had to buy a satellite shot," said Schuler.

Station groups also share digital content for use on the web or mobile sites. "In a digital world, if a story is getting a lot of attention on one of our websites it's pretty easy and very smart for another

⁶¹ Interview with author Deborah Potter. Oct. 24, 2013.

⁶² Perez, Sarah. "[Enterprise Video Transfer Startup Latakoo Signs Deal With NBC For Newsroom Integration.](#)" TechCrunch.com. July 13, 2012.

⁶³ Bhoolsuwan, Patranya. "[One-Man Band: Reporters Go at It Alone With Cellular-Based Electronic Newsgathering.](#)" DigitalTrends.com. July 29, 2013.

one of our stations to pick it up and put it on their website," said Media General's vice president of content, Donna Reed. "They'll get just as much traffic because a good story is a good story and the dateline is not all that important."⁶⁴ Raycom has a digital news desk at its headquarters in Birmingham, staffed by 16 journalists who provide national content 24/7 to all of the company's stations. "That lets stations take their digital resources and focus on local," said Schuler.⁶⁵

⁶⁴ Interview with author Deborah Potter. Oct. 29, 2013.

⁶⁵ Interview with author Deborah Potter. Nov. 4, 2013.

Local News Services

A type of resource sharing that is more common in the largest markets involves local news service, or LNS, arrangements that sprang up when the economy nosedived in 2008. To cut expenses during the recession, network-affiliated but separately owned stations in about a dozen top 20 markets agreed to jointly operate helicopters to cover breaking news and in many cases they also set up a formal process for sharing video of events.⁶⁶

Here, too, there are divergent views on the impact of LNS agreements on the quality of newscasts. Proponents say that the sharing frees up newsroom resources to do more enterprise and independent reporting. Critics say it can produce more homogenized, less differentiated newscasts among competitors.

The Fox Television Stations group was a spearhead of the LNS movement and remains involved in these arrangements, both in the air and on the ground. "I could never understand why someone would want to spend resources getting the same picture that someone else was getting," said Fox Television Stations CEO Jack Abernethy. "To me, the idea that you need to send four people to cover a press conference where the only difference between one station's view and the other is about two feet is crazy. It's allowed us to go out and do more independent reporting."⁶⁷

Scripps has LNS agreements with Fox in three markets where they both own stations: Detroit, Phoenix and Tampa. The LNS operates independently, according to Lana Durban Scott, director of news strategy for Scripps. Each participating station assigns an editorial staffer and photojournalists to the LNS. Stations make daily requests for LNS coverage of events everybody would be at, like news conferences or court hearings. "The [local news services] get the nuts and bolts so we can send another crew to do a side story to differentiate us," Scott said. "It fits our strategy of having more feet on the street."

As an example, Scott cited a story about a break-in at a gun shop in Phoenix. While the LNS shot video of a local ATF agent making a statement about the crime, the Scripps station shot its own interview with the gun shop owner and used both interviews in its report.⁶⁸ Critics feared that cost savings would lead to staff cuts at stations participating in LNS agreements. Scott says no positions were eliminated at Scripps stations.

⁶⁶ Marszalek, Diana. "[News Sharing: Fox Holds Firm, NBC Rethinks.](#)" TVNewsCheck. Oct. 2, 2012.

⁶⁷ Jessell, Harry. "[Chasing the Next Big Thing in Local TV News.](#)" TVNewsCheck. Oct. 8, 2013.

⁶⁸ Stocks, Deborah. "[\\$6,000 Reward Offered for Leads Into North Phoenix Gun Shop Theft.](#)" ABC15.com. Oct. 10, 2013.

NBC was an early partner in LNS arrangements, but by the end of 2013 it had dropped out of all but one. "The one reason that [the NBC stations] got into it was because their news resources had been cut so much (by former owner GE), so as we increased their news resources then their needs changed," said NBC's Valari Staab. "I just feel that you're conceding your competitive position by sharing a lot with other local newsrooms." ⁶⁹

Media General's Reed says sharing gives her competitors an economic advantage that she sometimes wishes she had. "If I had a choice between sharing an asset like a helicopter or not having it, I would share it," she said. "If that translates into saving money on one end so I could hire another reporter, sure."

On the other hand, Reed said, stations that don't share with others in the same market may be able to provide more distinctive coverage. "If you're really focused on original reporting and they're sharing everything," she said, "how original is that? If we're the only ones in the market that aren't in that arrangement and we are unique and differentiated, then it's to our advantage."

⁶⁹ Interview with author Deborah Potter. Nov. 6, 2013.

Sharing With Other Media

Local TV stations aren't just sharing content with other television outlets these days. Of the 78% of stations providing local news to other media, more than a third say they provide content to a local radio station, and a quarter say they have cooperative newsgathering or coverage agreements with a local newspaper, according to the annual Radio Television Digital News Association survey. In many, if not most of these cases, the television station shares weather forecasts or online video in exchange for promotional value and access to the other medium's content. The number of cross-media partnerships has held steady for several years and there is no indication that any major expansion is on the horizon. The number of stations that were not involved in a cooperative venture and were planning or discussing one has declined for the past three years, from almost 29% to just 16%.⁷⁰

A typical partnership is the one The Baltimore Sun, owned by Tribune, has had with CBS-owned WJZ since 2008. The newspaper features forecasts from the TV station in print and uses video from the TV station on its website. The station gets advance access to The Sun's top stories and promotes them on its newscasts.⁷¹

A few collaborations are considerably broader and deeper, like an arrangement that The New Orleans Times-Picayune made with WVUE, the Fox affiliate, in 2013. The TV station provides

Washington D.C. All-News Radio Station WTOP Features Forecasts from WJLA



Note: In Washington, D.C., All-News Radio Station WTOP (103.5), Owned by Hubbard, Features Forecasts from WJLA, (ABC7), Owned by Allbritton.

PEW RESEARCH CENTER

Lee Zurik Investigation: Meet the Gatekeepers of State Politics

Updated: Nov 05, 2013 11:15 PM EST

Written by: Lee Zurik, Chief Investigative Reporter - email

Contributor: Manuel Torres, Enterprise Editor, NOLA.com/The Times-Picayune - email

Contributor: Tom Wright, Investigative Producer - email



PEW RESEARCH CENTER

⁷⁰ Papper, Bob. "[Newsroom Technology, Partnerships Stabilize.](#)" RTDNA.org. June 4, 2013.

⁷¹ "[WJZ-TV and The Baltimore Sun Form Cross-Promotional Content Partnership.](#)" CityBizList Baltimore. Sept. 23, 2008.

weather and video to the newspaper, print reporters appear on television and the two outlets' investigative journalists collaborate on in-depth reporting projects.⁷² During the November 2013 television ratings period, for example, the two outlets reported on the results of "hundreds of research hours crunching campaign data" to reveal the biggest donors to Louisiana candidates and their impact on elections.⁷³

Another New Orleans station, Gannett's WWL, made a similar agreement to conduct joint investigations with The Baton Rouge Advocate,⁷⁴ which moved into New Orleans in 2012 to more directly challenge the Times-Picayune. Both moves came after The Times-Picayune cut its print publication to three days a week and laid off staff.

NBC-owned local stations in six markets have formal partnerships with nonprofit news organizations, an arrangement Comcast agreed to in order to win government approval of its purchase of NBC in 2009. The partnerships range from story development and production to promotional assistance; most involve in-depth or investigative reporting. NBC provides some financial support to its nonprofit partners, although the company will not say how much.

- WNBC in New York collaborates with the New York-based national nonprofit ProPublica on investigative reports.
- WMAQ in Chicago works with The Chicago Reporter, a magazine focused on covering race and poverty, to produce TV stories.
- WCAU in Philadelphia and public broadcaster WHYY share content online and link to each other's websites.
- KNBC in Los Angeles collaborates with public radio station KPCC on breaking news and election coverage.
- WTVJ in Miami develops stories and shares content with the Florida Center for Investigative Reporting.

NBC's Chicago Station Conducts Joint Investigations With The Chicago Reporter



PEW RESEARCH CENTER

⁷² ["The Times-Picayune in Newsgathering Partnership with Fox 8/WVUE."](#) The Times-Picayune. June 25, 2013.

⁷³ Zurik, Lee. ["Meet the Gatekeepers of State Politics."](#) Fox8live.com. Nov. 21, 2013.

⁷⁴ ["WWL in Partnership With The Advocate."](#) TVNewsLab. June 26, 2013.

- San Diego station KNSD and Voice of San Diego produce a weekly feature on local issues and share reporting resources.⁷⁵

These partnerships have produced enterprise stories on a range of topics not often covered by local television news. In a joint investigation with The Chicago Reporter, WMAQ looked at the high volume of criminal cases dismissed by the Cook County Circuit Court.⁷⁶ WTVJ in Miami reported the results of a Florida Center for Investigative Reporting project on banks failing to protect consumers from ATM crime.⁷⁷ And WNBC in New York collaborated with ProPublica on an investigation of wage violations by temp agencies.⁷⁸

Voice of San Diego CEO Scott Lewis says his nonprofit's partnership with the local NBC station is a win-win, allowing his news organization to reach a wider audience and "positively impacting the quality of [KNSD's] product while also performing a public service."⁷⁹

Public broadcasting stations also have partnered with local nonprofits, in some cases creating news operations they never had before. Rocky Mountain PBS, in Colorado, for example, now gets news from the nonprofit investigative journalism outlet I-News. In San Diego, the public television station invited a nonprofit investigative outlet to move into its newsroom to work jointly on enterprise coverage.⁸⁰ A similar arrangement went into effect last fall in Boston, when the New England Center for Investigative Reporting moved its professional newsroom to public TV station WGBH. The New England Center also has a partnership with four commercial stations in the region owned by Hearst that air stories produced by the nonprofit center.⁸¹

⁷⁵ [Transaction Compliance Report](#). NBCUniversal. July 29, 2013.

⁷⁶ Coffey, Chris. "[Cook County Spends Millions on Cases That Go Nowhere](#)." NBCChicago.com. Nov. 9, 2013.

⁷⁷ Shepard, Willard. "[Some Banks Not Following Rules to Keep You Safe at ATMs](#)." NBCMiami.com. Nov. 20, 2013.

⁷⁸ Glorioso, Chris. "[Temp Agencies Stiff Employees, Face Fines](#)." NBCNewYork.com. July 22, 2013.

⁷⁹ Lewis, Scott. "[The Making of a Successful Broadcast Partnership](#)." Investigative News Network. Jan. 3, 2011.

⁸⁰ Schaffer, Jan. "[Public Media Join Nonprofit Startups to Collaborate, Fill Local News Gap](#)." MediaShift. July 11, 2013.

⁸¹ "New England Center for [Investigative](#) Reporting, WGBH Partner to Support Investigative and Enterprise Journalism." NECIR-BU.org. Sept. 11, 2013. Additional partners are listed [here](#).

Regulation

The FCC has been reviewing its rules on television station ownership for almost four years but still has not completed its work. During this time, opponents of consolidation have repeatedly appealed to the federal government to stem the tide of consolidation. In 2013, Free Press, Rainbow PUSH Coalition and the American Cable Association separately petitioned the FCC to restrict or deny multiple deals without success. Cable and satellite companies contended that letting broadcast groups acquire more stations would give them an unfair advantage in negotiating retransmission fees. The media watchdog group Free Press argued that allowing buyers to spin off stations to “side-car” companies made a mockery of federal ownership rules. But the FCC questioned only part of one major transaction, the Sinclair purchase of Allbritton, noting that three of the stations being acquired would have been managed under a type of joint operating agreement that is no longer legal. Observers expect those sales to be restructured as shared services agreements to meet current rules.⁸²

The U.S. Department of Justice, which reviewed several major purchases for possible antitrust violations, also found fault with only one aspect of one sale. Gannett, which already owns a network affiliate in St. Louis, was required to sell the Belo station it acquired in that market to an independent third party. The Department of Justice ruled that Gannett's original plan to operate the station on behalf of another owner would have given the company too much power to demand higher local advertising rates.⁸³

The regulatory climate is changing rapidly, however. New FCC chairman Tom Wheeler, who took office late in 2013, has signaled that current and future deals may face more scrutiny from the commission. One of his first acts was to withdraw a pending proposal to relax the ownership rules that had languished for months. "We're going to do things differently going forward" on joint services agreements, Wheeler said.⁸⁴

The Justice Department also is taking a harder line on shared operations. "Such arrangements often confer influence or control of one broadcast competitor over another," the department's antitrust division said in an FCC filing. The commission is expected to vote soon on a proposal that would treat some joint sales agreements as the equivalent of ownership. That could unravel some existing agreements, because a single owner is currently [prohibited from reaching more than 39% of U.S. households](#).

⁸² Halonen, Doug. "[FCC Targets Sinclair Sidecar Deals in 3 Mkts.](#)" TVNewsCheck. Dec. 6, 2013.

⁸³ Brown, Lisa. "[Justice Department Requires Sale of KMOV.](#)" St. Louis Post-Dispatch. Dec. 16, 2013.

⁸⁴ Eggerton, John. "[Wheeler: FCC Will Look 'Differently' at Sharing Arrangements.](#)" Broadcasting & Cable. Jan. 10, 2014.

Broadcasters, concerned that the FCC will tighten the rules, have stepped up lobbying efforts to preserve joint services arrangements. The National Association of Broadcasters issued a statement saying the Justice Department's position could "kill jobs and damage the economics of local broadcasting."⁸⁵

One controversial proposal the FCC considered but took no action on in 2013 would also have changed the way ownership limits are calculated. A policy that dates back to the days of analog television allows owners to count a UHF station (on channels 14 and above) as reaching half the audience of a VHF station in the same market, because UHF signals were typically weaker. The so-called UHF discount lets broadcasters expand their holdings without running afoul of the 39% limit.

The transition to digital broadcasting and the fact that most consumers no longer watch television over the air⁸⁶ made a change inevitable, said Mignon Clyburn when she was the acting chairwoman of the FCC. "The technical justification for the UHF discount no longer appears valid," she said.⁸⁷

The proposed revision would likely have grandfathered companies like Univision, whose reach would exceed the national limit once the UHF discount was eliminated, as well as broadcasters like Tribune with pending acquisitions that would push them over the limit.⁸⁸ But the change would have constrained several big broadcasters from growing any larger through the purchase of additional stations. Sinclair, for example, would reach 38.2% of the country without the UHF discount, compared to 21.9% percent under the current system. Fox and CBS would also be close to the limit if the discount goes away.⁸⁹

Former FCC commissioner Michael Copps called the UHF discount proposal "a wonderful signal" that the government may finally be prepared to tighten the broadcast ownership rules. "I have never been one to pin the blame for where we are solely on the media companies," he said. "Government's been asleep at the switch."

⁸⁵ Halonen, Doug. "Justice Supports FCC Crackdown on JSAs." TVNewsCheck. Feb. 21, 2014.

⁸⁶ A 2013 study by market research firm GfK found that 19.3 percent of US households get their television over the air. See: Roettgers, Janko. "[Cord Cutters Alert: 60 million Americans Now Use an Antenna to Watch Free TV](#)," Gigaom.com. June 21, 2013.

⁸⁷ Halonen, Doug. "[FCC Proposes Elimination Of UHF Discount](#)." TVNewscheck. Sept. 26, 2013.

⁸⁸ Halonen, Doug. "[Big Owners Worried over UHF Discount](#)." TVNewsCheck. Aug. 21, 2013.

⁸⁹ Halonen, Doug. "[FCC Proposes Elimination Of UHF Discount](#)." TVNewscheck. Sept. 26, 2013.

An FCC official said the commission would "move expeditiously" to finish its review of the ownership rules, but there was no clear indication of which way a decision might go.⁹⁰ And whatever the FCC does, it is likely to face a legal challenge. Efforts to relax ownership limits over the past decade have been repeatedly blocked in court.⁹¹

For news consumers, the key issue is what the FCC is going to allow in the interim. "We've seen relatively small markets where we've seen many of the independent voices disappearing and the FCC appears to say, no problem," said Bob Papper. "The implications are that absent an FCC that appears to care, we're going to keep losing originating newsrooms. We're not going to see stations dropping news but... I think we're definitely going to see more consolidated newsrooms."

⁹⁰ Nagesh, Gautham. "[FCC Withdraws Proposal to Relax Media-Ownership Rules.](#)" Wall Street Journal. Dec. 16, 2013.

⁹¹ Schatz, Amy and Brent Kendall. "[High Court Rejects Challenges to Media Rules.](#)" Wall Street Journal. June 29, 2012.

News Video on the Web

A Growing, if Uncertain, Part of News

**FOR FURTHER INFORMATION
ON THIS REPORT:**

Amy Mitchell, Director of Journalism Research

Dana Page, Communications Manager

202.419.4372

www.pewresearch.org

About This Report

This report is a component of the State of the News Media 2014, the eleventh edition of the annual report by the Pew Research Center examining the landscape of American journalism. This year's study includes special reports about the revenue picture for news, the growth in digital reporting, the role of acquisitions and content sharing in local news and how digital video affects the news landscape. In addition, it provides the latest data on audience, economic, news investment and ownership trends for key sectors of news media. The full study is available online and includes a database with news industry trend data and a slideshow about how news functions on social media. This report is a collaborative effort based on the input and analysis of the following individuals. Find related reports about trends in journalism at pewresearch.org/journalism.

Amy Mitchell, *Director of Journalism Research*

Jesse Holcomb, *Senior Researcher*

Kenneth Olmstead, *Research Associate*

Jeffrey Gottfried, *Research Associate*

Nancy Vogt, *Researcher*

About Pew Research Center

Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping America and the world. It does not take policy positions. It conducts public opinion polling, demographic research, media content analysis and other empirical social science research. The center studies U.S. politics and policy views; media and journalism; internet and technology; religion and public life; Hispanic trends; global attitudes and U.S. social and demographic trends. All of the center's reports are available at www.pewresearch.org. Pew Research Center is a subsidiary of The Pew Charitable Trusts.

Alan Murray, *President*

Michael Dimock, *Vice President, Research*

Elizabeth Mueller Gross, *Vice President*

Paul Taylor, *Executive Vice President, Special Projects*

Andrew Kohut, *Founding Director*

© Pew Research Center 2014

News Video on the Web: A Growing, if Uncertain, Part of News

Momentum around digital news video picked up in 2013.

More than six in ten U.S. adults now watch videos online – and roughly half of those, 36% of all U.S. adults, watch news videos, according to new Pew Research Center survey data. This is roughly the same percentage of Americans who now get news from Facebook or watch cable news channels regularly.¹²

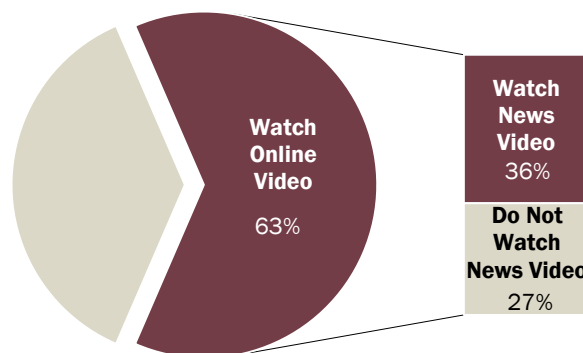
And, while no firms break out digital video advertising revenue specifically for news, the category of digital advertising as a whole is up sharply, growing 44% from 2012 to 2013, to an estimated \$4.15 billion, according to eMarketer.

Technological improvements lowering the barrier to entry, both for the audience and those in the news business, have spurred a wave of new entrants into the digital news video space. With 36% of U.S. adults recording videos on their cellphones, citizens are playing a valuable role in the news process, sharing videos of eyewitness moments around news events small and large. And both digital news outlets like Vice Media as well as legacy outlets like NBC took steps to develop approaches to digital video content in 2013.

But a closer look suggests that digital news video does not necessarily have a clear or simple path to becoming a major form of news in the future. Producing high-quality video – or even streaming it live – can be costly, and the payoff is not clear. Video advertising, while on the rise, amounts to just 10% of all digital ad revenue and just 2% of total ad revenue. Large distributors of video content like YouTube already account for a large portion of video watching on the web, and a hefty share of the revenue. And for traditional legacy providers – local TV stations and national networks – most of their audience and revenue are still in the legacy platforms, which may reduce these companies' desire to invest in digital video in a big way. Non-digital news revenue on local and national broadcasts, as well as cable, now amounts to \$15 billion a year.

Percentage of Americans Who Watch News Video Online

% of U.S. Adults



Source: Pew Research Center 2013 Digital Video Survey

PEW RESEARCH CENTER

¹ Pew Research Center. "The Role of News on Facebook." Oct. 24, 2013.

² Pew Research Center. "In Changing News Landscape, Even Television is Vulnerable." Sept 27, 2012.

On the consumer side, while television viewing has been the [most popular form of news](#) consumption for decades, it is still not clear how much that will translate to high levels of video-based news online. The growth rate has slowed considerably since 2007 (the year after YouTube was purchased by Google and the year the iPhone was released). From 2007 to 2009 the percentage of adults watching online news video increased 27%, but the next four years (2009 to 2013) saw just 9% growth. It is true that mobile devices are accounting for a larger share of video viewing, which could bring another spike in growth, but at the moment that increase remains only a hypothetical.

This report examines the state of digital video – from the audience, to the revenue, to developments in content creation from both citizens and news organizations. It includes original survey data and a new audit of 32 local television news sites, as well as aggregation and analysis of a host of outside data.

Over all, it finds that online video is clearly becoming a part of the news media landscape. News is a part of what people watch online, and, more than ever, the public is a part of creating this news. But online video is also very much still in development, and the revenue opportunities, while they exist, are complicated. Some who have moved most powerfully into this space are digital natives, not tethered to legacy platforms that still account for a good portion of their audience and revenue.

Among the other findings:

- **The young are the heaviest consumers of online videos and are also strong consumers of digital news videos.** Nine in ten 18-to-29-year-olds watch online videos, and almost half, 48%, watch online news videos. That is equal to the 49% of 30-to-49-year-olds who watch online news video and outpaces the 27% of 50-to-64-year-olds and 11% of those 65 and older who do the same.
- **User-generated video content can play a critical role around breaking news, although a fairly small segment of Americans produce and share those videos.** Pew Research Center survey data finds that 12% of social media users have posted their own videos of news events on social networking sites.³ Further, 11% of online news consumers have submitted their own content (including videos, photos, articles or opinion pieces) to news organizations or blogs. Factoring in those who are not online news consumers or social media users, this translates to 7% of U.S. adults posting their own news videos to social media and 7% submitting content to news sites.

³ In the survey, this question was asked of social networking site users who also got news online.

- **For now, the digital video market is small – about \$4 billion, a tiny fraction of the broader digital ad market.** And of that \$4 billion, Google – through YouTube – accounts for nearly a quarter. And Facebook, which quickly jumped to the top in display ad revenue, just entered the digital video market in early 2014. That leaves a narrow space for news publishers to compete with other digital video services, such as Hulu and ESPN.
- **The last year saw some major investments in digital news production.** Vice Media’s launch of a digital news channel in early 2014, NBC’s acquisition of Stringwire in 2013 and HuffPost Live’s overseas expansion point in the same direction: News organizations are becoming more aggressive about video on the internet (though there have been stumbles along the way).
- **Local TV news outlets are moving into digital video, but at varying rates.** A Pew Research audit of 32 local TV news websites finds that all but four offer video on their homepages, but the amounts range from 92% of all homepage stories to just 6%. Roughly half, 14 of the 32, offer live streaming of their broadcast programs. In addition, 24 of the 32 have mobile apps with video watching capabilities in both the Android and Apple stores, and 18 have YouTube channels, though, again, the activity level there varied greatly.

The Audience for Digital News Videos

About six in ten U.S. adults (63%) watch online video, and over half of those – 36% in all – watch news videos online, according to a new analysis of Pew Research Center survey data. This is up from 40% of U.S. adults who watched or downloaded some kind of online video in 2007, and 26% who watched news videos online.⁴

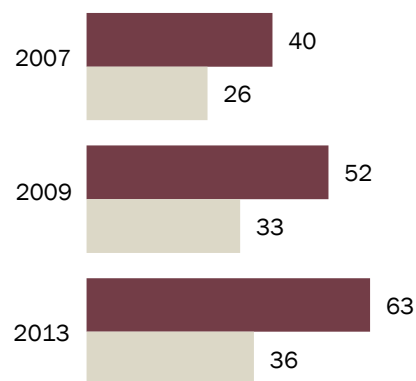
To put those video watching numbers in context, it is worth remembering that YouTube wasn't founded until 2005 and was purchased by Google in 2006. The first iPhone was released in 2007, and in-home broadband penetration that year was just 47%.

Most of this growth, though, occurred between 2007 and 2009. Since then, the rise in online video watching – and news video watching in particular – has slowed considerably. Looking ahead, some analysts expect the [continued growth in mobile](#) to spur another round of online video consumption. Indeed, in this survey, while we did not ask which device they watched videos on, smartphone owners were more than twice as likely to watch online videos and online news videos as non-smartphone owners.

Americans Watching Digital News Video

% of U.S. Adults

■ Watched Online Video ■ Watched News Video



Source: Pew Research Center Surveys 2007, 2009, 2013.

Note: In 2007, survey respondents were not asked the more direct question of whether they watch online videos as they were in the 2009 and 2013 surveys. Respondents were asked, though, the various categories of videos that they watch online, including "other." The 2007 number above reflects the percentage of respondents who said yes to any of the 10 categories.

PEW RESEARCH CENTER

⁴ In 2007, survey respondents were not directly asked whether they watched online videos as they were in the 2009 and 2013 surveys. Respondents were asked about the various categories of videos that they watch online. The 40% figure reflects the percentage of respondents in 2007 who answered that they watched at least one of the 11 categories of videos, including an "other" category.

Fully 88% of smartphone owners watch online videos, compared with 35% of those who do not have a smartphone. And more than half (53%) of smartphone owners watch news videos, compared with 18% of those who do not own a smartphone. Again, the survey did not ask which device respondents watched the videos on, so it does not indicate that this is necessarily smartphone news video watching. Other data, though, speak to growth in overall mobile video watching. Business Insider's research division found that the mobile market's share of online video traffic grew from 4% in January 2012 to 15% in September 2013.⁵

Smartphone Ownership and Video Watching

% U.S. Adults

	Watch Online Video	Watch Online News Video
Have a Smartphone	88%	53%
Do not Have a Smartphone	35%	18%

Source: Pew Research Center Digital Video Survey

PEW RESEARCH CENTER

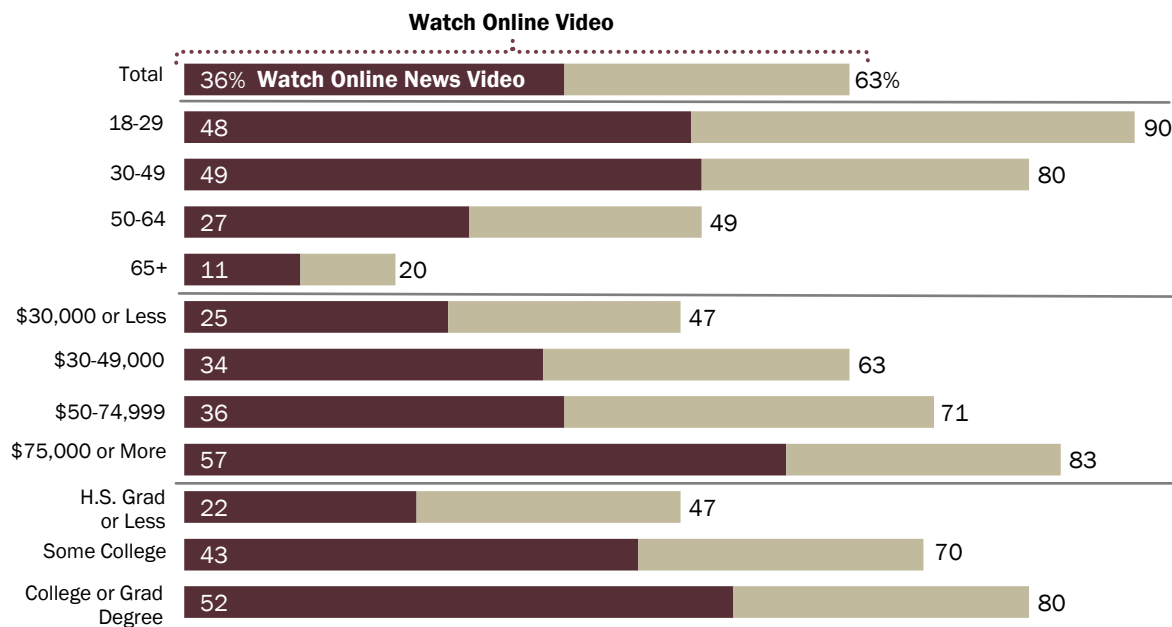
⁵ Danova, Tony. "[Mobile Video Content: This is What People Like to Watch on Their Tablets and Smartphones.](#)" Business Insider Intelligence Report. Dec 11, 2013.

As is often the case with areas of new technology, younger generations are more likely than older ones to watch videos online. Nine in ten 18-to-29-year-olds (90%) watch online videos, compared with 80% of 30-to-49-year-olds, 49% of 50-to-64-year-olds and just 20% of those 65 or older.

What's more surprising, perhaps, is the degree to which news is in the mix of what they watch. Fully, 48% of all 18-to-29-year-olds in the U.S. watch news videos online, roughly equal to the 49% of 30-to-49-year-olds who watch news videos online and substantially more than those 50 and older.

Young, Educated, Affluent Most Likely to Watch Online News Video

% U.S. Adults



Source: Pew Research Center 2013 Digital Video Survey

PEW RESEARCH CENTER

This speaks to the idea that there could be opportunities in the digital realm for young people to get news at similar rates as their older cohorts – something that has not been the case in most [legacy news platforms](#) like newspapers and television.

Those under 30 also watch a wide range of other kinds of online video. Comedy, music and how-to videos are most popular online, reaching 70% or more of this population each. But, news outpaces sports videos (38%) and politics (32%).

Two other demographics that stand out in online news video consumption more closely mirror [broader news habits: education and income](#).⁶ More highly educated Americans are more likely to watch news video. About half of Americans with a college degree or higher watched news video online; this compares with 43% of those who have completed some college and only 22% of those with a high school degree or less.

More than half (57%) of Americans at the higher end of the income spectrum (more than \$75,000 a year in household income) watch news videos online, compared with just 36% of those whose households bring in between \$50,000 and \$74,999 per year, 34% of those making between \$30,000 and \$49,999 per year, and 25% of those in households making less than \$30,000 per year.

The Audience as Contributor

In addition to watching more digital videos, Americans are recording and sharing their own videos. As of July 2013, more than a third (36%) of U.S. adults reported recording videos on their cellphones. And news has become an important part of what they record.

New Pew Research survey data find that 12% of social media users post videos of news events that they themselves have taken on social media.⁷ And 11% of all online news consumers have submitted their own content (including videos, photos, articles or opinion pieces) to news websites or blogs. That amounts to 7% of U.S. adults posting their own news videos on social media and 7% submitting their own content to news sites.

News Ranks in the Middle of Online Video Watching

% of U.S. Adults

Video Type	Total U.S.	18-29	30-49	50-64	65+
Comedy or Humorous	47%	74%	60	31	10
Music	40	73	53	19	8
How-To	46	70	57	34	11
Educational	41	63	51	30	11
News	36	48	49	27	11
Animation or Cartoons	23	42	30	10	5
Sports	22	38	30	13	4
Political	22	32	28	17	5
Commercials or Advertisements	12	20	14	12	1

Source: Pew Research Center 2013 Digital Video Survey

PEW RESEARCH CENTER

⁶ Pew Research Center. "[In Changing News Landscape, Even Television is Vulnerable.](#)" Sept. 27, 2012.

⁷ In the survey, this question was asked of social networking site users who also got news online.

While this is still a relatively small segment of the population, the impact has already proved powerful. More and more, citizens are capturing important eyewitness videos around breaking news events. In 2012, a [Pew Research Center study](#) found that more than one in three top news videos (39%) on YouTube were posted by citizens.

In 2013, user-generated video played an important role around breaking news and in situations of unrest where access is difficult for professional journalists. In the first 24 hours after a deadly tornado slammed into Moore, Okla., around 3 p.m. on May 20, [citizen journalists produced a majority](#) of the most-viewed YouTube videos. When Ukrainian protesters took to the streets of Kiev's Independence Square in February 2014, numerous news organizations (particularly Russia Today) repackaged citizen content from the riots, melding the images into new products. And amid the chaos of the Boston Marathon bombings in April 2013, bystanders recorded the events, as they unfolded – including the initial blasts and the police chase that ended in Watertown, Mass., with one of the suspects dead and the other in custody.

Portals like YouTube, with one billion monthly viewers, or Vimeo, with 135 million unique viewers, are home to unfiltered and uncurated videos posted by the public, some of which capture news events.⁸ More and more, these videos are being incorporated into news reports or onto news websites. But the process for how news organizations and citizens share content is still evolving, with questions about how to provide proper attribution, how to verify the accuracy of videos, and even how to archive them for the future.

To that end, a number of startups have emerged – among them Stringwire, Storyful and Storyhunter – that exist to help curate and vet video content created by the public and freelancers, which can then be packaged for the web by news outlets.

User-Generated Content on Social Network and News Sites

% of Social Network Users

Who...*

Post photos they took of news events to social networks	14%
---	-----

Post videos they took of news events to social networks	12
---	----

% of Online News Consumers

Who...

Submit their own photos, videos, articles or opinion pieces of a news organization or news blog	11
---	----

Source: Pew Research Center, phone survey Feb 27-Mar 2, 2014, N=505

Note: This question was asked of social networking site users who also got news online.

PEW RESEARCH CENTER

⁸ Gutelle, Sam. "[Vimeo Users Streamed 4.9 Billion Videos in 2013](#)." Tubefilter. Jan. 27, 2014.

Stringwire, acquired by NBC News in 2013, is a startup working to create a frictionless process by which user eyewitnesses can stream a news event from their cellphones straight to NBC editorial staff, which can then broadcast relevant content on the air or on the web. Storyful, launched in 2010 and purchased by News Corp. in 2013 for \$25 million, works to verify citizen video uploaded to the web or to news sites. The company also secures licenses for news video it finds around the web and then sells those licenses. Storyhunter is a digital production studio that works with its network of independent and freelance video journalists to vet and produce high-quality news video. These and others build off earlier video curation and editing services, such as CNN's iReport, which has gathered user-generated video, photo and narrative content, some of which have appeared on broadcasts.

The Digital Video Advertising Market

The growth in the digital video advertising market can still be explained in part by the law of small numbers: It is still a relatively new entrant, and makes up a small fraction of all digital advertising. But the data also suggest that there is still a great deal of room for growth, particularly in the mobile realm.

To fully understand the state of digital video advertising and its potential for news, it is helpful to start with the entire advertising picture. Total advertising revenue amounted to \$171.3 billion in 2013, according to estimates provided by eMarketer. Digital advertising accounted for a quarter of that (or \$42.6 billion).

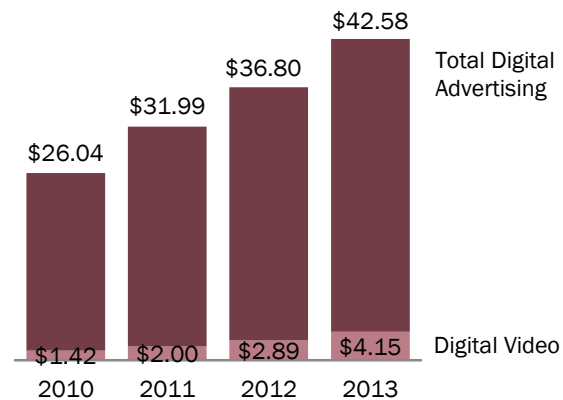
Digital video advertising amounts to just a small piece (9.7%) of all digital ad revenue – an estimated \$4.15 billion. It accounts for an even smaller share of all advertising revenue

across platforms – just 2.4%. Still, digital video advertising is growing rapidly at 43.5% year over year. By 2017, eMarketer projects that digital video advertising will make up 15% of the total digital advertising market.

Indeed, much of this growth can be attributed to the price of digital video ads compared to more traditional kinds of online advertising like banners. One of most widely used metrics for measuring the price of a digital ad is CPM, or the cost per thousand views of the ad. And while some prefer other engagement based metrics like cost per click or cost per completion (where the ad only counts if the user actually watches it), CPM can still speak to broad differences in value for various types of digital ads.

Digital Video Revenue Continues to Grow

In billions



Source: eMarketer.

PEW RESEARCH CENTER

An analysis by Credit Suisse, a financial services and asset management company, puts the average CPM for a digital video advertisement at \$24.60.⁹ That is somewhere between five and 10 times the average cost of a more traditional display ad.¹⁰

No firms break out these revenue estimates specifically for news. But a deep look at the playing field suggests that for organizations producing news video, this may be a difficult revenue environment. Pew Research has already [documented in previous State of the News Media reports](#) the degree to which online advertising over all – and more relevant to news, display advertising – quickly became dominated by a few big players.

In the display ad market, about half of all the ad dollars go to five companies: Facebook, Google, Yahoo, Microsoft and AOL. The remaining 50% is what's left for news organizations and thousands of other publishers.

There is not yet an equivalent revenue pie for digital video, but the analytics firm comScore tracks which companies serve the most digital video ads to web users. These data, along with other indicators, offer three key findings.

First is the degree to which YouTube (ranked No. 1 here as a Google site) already has a strong hold on the market, especially since it serves up its own ads through the Google ad network. Separate data from eMarketer project that YouTube will have generated \$850 million in video advertising alone in 2013. That amounts to 20.5% of the \$4.15 billion digital video advertising market. While it is up only slightly, from 19.7% in 2012, eMarketer projects YouTube's percentage to grow to 23% by 2015.

The second point revolves around the role of ad networks – the middle players in the digital ad space between the advertisers such as Honda or Prudential and the content publishers such as ESPN or The New York Times. AOL is largely on the list because of its purchase of the ad network

Top Digital Video Advertising Companies

Monthly Average for 2013

Company	Video Ads (000)	% Reach of Total U.S. Population
Google Sites	2,904,296	53.8%
AOL, Inc.*	2,595,968	39.6
Bright Roll Platform	2,304,302	51.3
Liverail.com	2,126,707	31.1
SpotXchange Video Ad Marketplace	1,977,091	34.7

Source: *AOL bought Adap.tv in September 2013, the Adap.tv figures above are an average of December-September 2013 and the AOL numbers are an average for the entire year, with Adap.tv added in for October, November and December 2013.

PEW RESEARCH CENTER

⁹ Credit Suisse divided the digital video ad market into three tiers: Indirect (\$18.60 CPM), Midtier (\$25.00), and Premium (\$32.80).

¹⁰ Estimates for the average CPM of a display ad can vary widely according to the sample used to derive the average. Estimates from Turn put the average at \$1.06 in 2013. Estimates from Forrester put it at around \$2.66.

Adap.tv in 2013. And the remaining three – BrightRoll, LiveRail and SpotXchange – are all ad networks in their own right. The ads are sold by the ad networks, which then share the revenue

with the host publisher. News organizations, in other words, need to share revenue with these ad networks. In addition, news organizations compete for interest from these networks with all kinds of other publishers such as Hulu or ESPN, many of which have higher market appeal.

Top Online Video Properties

December 2013

Property	Total Unique Viewers (000)	Videos (000)	Minutes per Viewer
Google Sites	159,090	13,384,434	356.7
Facebook	79,105	3,749,940	50.1
AOL, Inc.	76,178	1,414,138	60.4
Yahoo Sites	53,499	392,542	47.8
News Distribution Network (NDN)	49,388	530,275	71.2

Source, comScore, based on Desktop/Laptop only Home and Work locations

PEW RESEARCH CENTER

Perhaps most important, Facebook is only barely in this space. Facebook tested its first attempt at a video ad on Dec. 19, 2013.¹¹ Consider that in the display advertising market, Facebook quickly became the top display ad selling company. In 2009, five years after its launch, Facebook was second to Yahoo, generating around \$560 million in display ad revenue to Yahoo's \$1.26 billion.

By 2013, Facebook was the [No. 1 display video ad company](#) in the U.S., generating \$3.17 billion to Yahoo's \$1.27 billion. What's more, when it comes to views of online video, Facebook already ranks near the top.

It's not that news is absent from Facebook or YouTube. To the contrary, half of Facebook users get news there at least sometimes, according to 2013 Pew Research data, and one in five YouTube users get news on that platform. CNN's YouTube channel alone has more than 400,000 followers. But, in addition to the ad network sharing, news producers must share revenues with these distribution partners, which skims off a portion of the totals that were small to begin with compared with those of legacy platforms.

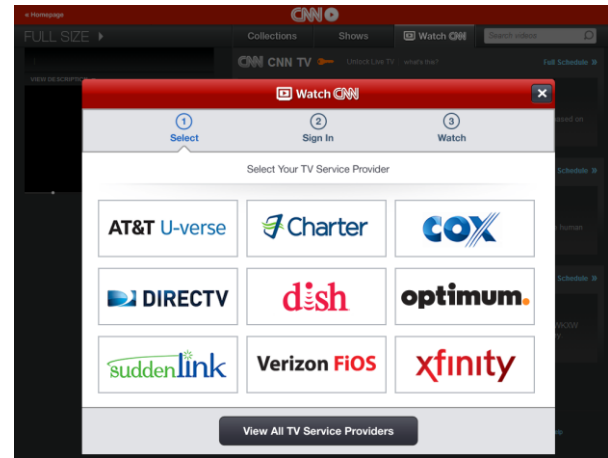
Another drag on the incentive to innovate comes from the fact that for legacy producers of video news content, the vast majority of their revenue still comes from television. Fully 37% of total cable revenue, 81% of network revenue and 94% of local TV revenue come from legacy advertising.

In addition, the cable news networks generate a substantial portion of their total revenue from fees received by cable providers, such as Comcast, which are then passed along to consumers in their

¹¹ Reed Albergotti, Suzanne Vranica and Ben Fritz. "Facebook's Video Ads Risk Alienating Users." The Wall Street Journal." Dec 17, 2013.

cable bills. Indeed, while all three of the cable networks offer live streaming on their sites, they also all require users to sign in with their cable provider if they want to view the live TV stream on the web – to verify the user is already paying for a cable subscription.

CNN.com Live Stream Login Screen



PEW RESEARCH CENTER

Developments in Online News Video Content

Even if the economic benefits are uncertain, digital video will clearly be a part of how consumers get content, including news, in the coming years. From live feeds like a presidential speech, to user-generated content around breaking news, to original video packages produced for the web, to clips or downloads of content first aired in legacy television, the options for online video are now vast.

So how are news organizations positioning themselves to be a part of the growing – but already crowded – digital video landscape? What kinds of content are being developed, and by whom?

Some news organizations have already created a name for themselves in this space. In 2006, the first News & Documentary Emmy Award went to a nonbroadcast news organization – the Washington Post – for its video coverage of Hurricane Katrina. In 2007, CNN and YouTube partnered to sponsor presidential primary debates, and the 2008 presidential election became the first one in which consumers could watch live streams of the candidate debates and vote returns on outlets like MSNBC.com, foxnews.com and CNN.com. Storyhunter, a website launched in 2012 by two professional video journalists, has completed 100 videos, established a network of more than 1,500 professional freelancers worldwide and signed media partnerships with Yahoo and AOL. As a startup that bridges the gap between content providers and publishers, Storyhunter vets the journalists and provides fact checking, editorial expertise and a virtual workspace.

Some developments in 2013 include:

- HuffPost Live.** In August 2013, HuffPost Live – one of the more ambitious digital-only news video efforts built around hosts chatting with guests – celebrated its anniversary. According to The Huffington Post, 2 million viewers a month watch the live stream of the channel and 13 million more watch video content on HuffPost Live on demand.¹² The company continues to fine-tune its video offerings. In 2013, the site scaled back its daytime live programming from 12 hours to eight hours. It expanded internationally by launching the WorldPost (but in doing so, scaled back some of the outlet’s domestic staffing).

Huffpost Live



PEW RESEARCH CENTER

¹² Bercovici, Jeff. "[One Year Along, HuffPost Live Has A Global Vision.](#)" Forbes.com. Aug. 8, 2013.

- Vice Media.** More recently, Vice Media – a multimedia company aimed at younger audiences – has been rapidly expanding both its news operations and its focus on video. The company has for some time distributed its video content through an HBO show and licensing deals with other TV networks, along with its website, mobile app and YouTube channel. As of early 2014, Vice was averaging 77 million monthly video views. And in February, the company launched a news portal on its website – in beta – that, according to the news reports, will include 50 posts a day in various formats, including live streaming and edited video. The company told the Pew Research Center that it was in the process of hiring young producers who were “capturing and covering news stories in an immersive documentary style that resonates with our audience” and would do so, in part, using newer technologies like drones and Google Glass.

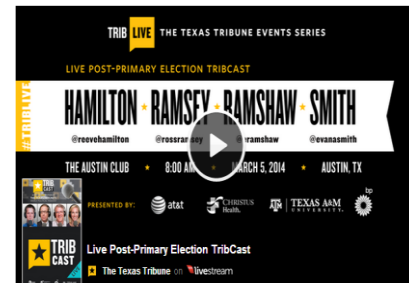
Vice News



PEW RESEARCH CENTER

- The Texas Tribune.** In the fall of 2013, running off the energy from its January live streaming of Wendy Davis’s filibuster against an abortion measure in the Texas Legislature that drew national attention, The Texas Tribune held a [successful Kickstarter campaign](#) to raise funds for the purchase of equipment to enable it to stream live video coverage of the 2014 Texas governor’s race. It took the Tribune just over three weeks to surpass its goal of \$60,000 and by the end of the year it had the equipment in hand. The first live-streaming event – an interview with Lt. Gov. David Dewhurst – took place on Jan. 16, 2014. Subsequent live-streamed conversations with candidates for political office were held on Jan. 30 and Feb. 4, and The Tribune has committed to provide live video coverage throughout the 2014 election cycle. The nonprofit newspaper told Pew Research that it had been utilizing the live-stream feature once or twice a week, along with events, and that the audience reaction had been strong.

The Texas Tribune



PEW RESEARCH CENTER

- NBC News.** In 2013 NBC News made several investments in the digital and, more specifically, mobile video market. The first, in August 2013, was a company called Stringwire. The company allows users to upload real-time video using their mobile devices, and NBC News plans to use it as something akin to CNN’s iReport, having citizens on the ground as events happen upload

their video using Stringwire to NBC News.¹³ Second, in January 2014, NBC News took a minority stake in a company called NowThis News, a move to help NBC News compete in the mobile video market. The company produces short – in most cases very short, at 15 seconds – news videos.¹⁴

- **Bloomberg TV.** In late 2012, the financial news company announced plans to create a digital video desk in a bid to expand its production of video content for delivery on multiple platforms. And in December 2013, Bloomberg further expanded its digital reach with the introduction of an app for Apple TV that enables access to financial programming via both a live feed and on-demand videos.
- **4CornersTV.** A project of Ballantine Communications in Colorado, 4CornersTV is a local online TV channel aimed at a particular demographic – 30-to-45-year-olds. The channel launched in early February 2014.
- **Newsy.** In December 2013 Scripps purchased Newsy, a startup out of Columbia, Mo. [Newsy](#) is a website (and app) that aggregates video content from around the web. The key feature is that the service features video content surrounding a single story. Newsy produces video content that collects video from various sources and packages it together into a single piece, often anchored by a Newsy employee. The video features links to all of the original video featured in the story.

While many of these recent developments have come from news outlets native to the digital space, the biggest source of news video by far remains television – local and national broadcast, along with cable. More than half (55%) of U.S. adults say they get news on television, according to Pew Research survey data. Local ranks first, with 24 million tuning in to late-night broadcasts, according to Nielsen Media Research.

Pew Research examined the homepages of a mix of 32 local TV websites in a range of markets across the country, looking at the quantity of video content they feature, the availability of streaming content and how that video content is hosted, as well as the presence of mobile apps and YouTube channels.

¹³ Fried, Ina. “[NBC News Scooping Up Mobile Video Site Stringwire.](#)” All Things D. Aug 11, 2013.

¹⁴ Abbruzzese, Jason. “[NBC News Group Partners With Video Startup NowThis News.](#)” Mashable. Jan 13, 2014.

The findings reveal that, at least within this mix of sites, video is a regular part of their digital offerings, although the extent of video usage varies widely. Most of these local TV news websites have mobile apps, while about half offer live streams of their TV broadcasts, and half have channels on YouTube. (It is also worth noting that the differences across these sites do not seem tied in any way to their network affiliation. Variations, in other words, were seen within the ABC-affiliated stations in this study as well as the CBS and NBC affiliate groups.)

Local TV Website Video

Of 32 Local TV Websites

Video on the Homepage	28
Live Stream	14
Mobile App	26
YouTube Channel	21

Source: The Pew Research Center

PEW RESEARCH CENTER

Homepage Content

All but four of the 32 local TV stations studied (all four of them in the smallest market) included video on their website. On average, these videos accounted for 42% of homepage story links, including links to live news feeds. But the degree to which video defined their site varied a great deal, from 92% of homepage story links on one site (WEAR in Mobile, Ala.) to just 6% on another (KDFX in Palm Springs, Calif.).

All the local TV websites featuring video set this content off in a specific part of the website, and in some cases, more than one space. Many sites used a layout similar to that of KHOU (Houston), where the page features a “video” section in the top navigation as well as a “featured video” section.

Featured Video Section at KHOU

The screenshot shows the KHOU.com homepage with a navigation bar including Home, News, Weather, Traffic, Entertainment, Events, Sports, Video, Community, Marketplace, Your Pics, Great Day, and Login. The Video link is highlighted in red. Below the navigation bar is a banner for 'AIR SPECIALIST A/C • HEATING • INSULATION • & MORE' with a 'CLICK HERE' button. Below that is a headline 'A VETERAN'S GRAVE DESECRATED' with a 'CLICK FOR VIDEO' button. The main content area features a 'WEATHER ALERT LIVE Doppler Radar' section with several radar maps. Below the radar is a featured video section with a red border. The featured video is titled 'Police release sketch of suspect in fatal shooting of woman near school' and includes a list of related news items:

- Is anyone watching? I-Team finds suspended lawyers still practicing
- Man watches in horror as brother jumps from moving vehicle on Eastex Freeway
- Businesses burn in north Harris County strip center fire
- Neighbors concerned trash stalker could be seeking personal information
- Houston Forecast: Skies clearing for the drive home
- Good Samaritan helps deputies nab purse snatching suspects

Other featured videos include 'Too cute: Boy becomes emotional listening to song', 'Wild ride: Surfer tackles a huge wave in Portugal', 'Raw: Flames shoot from strip center', and 'Raw: Man arrested for copper theft'.

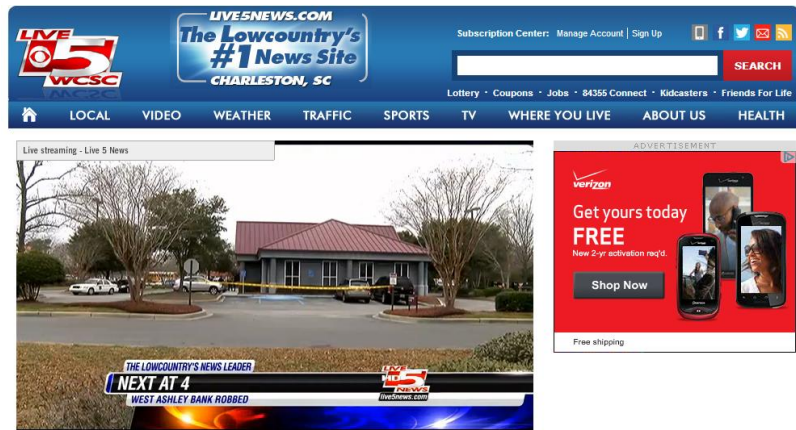
PEW RESEARCH CENTER

Live Streaming

Nearly half of the local TV outlets studied – 14 out of 32 – included live streams. During the time period studied, these were simply feeds from the local broadcast, produced in a TV studio, as opposed to being made for the web (with one exception). Offering live video streams carries an additional cost – one that fewer stations have taken on. Live streaming requires more bandwidth than streaming other videos, and with data caps becoming more common among broadband providers, stations may feel users do not want to incur those limits on web usage.¹

The decision to stream broadcasts online (or on mobile, discussed below) also can have some downsides for local TV stations. The most glaring is that if users decide to shift their watching to these live streams, then the stations will lose those eyeballs for their television ads, a traditionally more lucrative type of advertising.

Live Stream of WCSC



PEW RESEARCH CENTER

Hosting Services

In addition to having a dedicated video section, all but one of the sites in the sample exclusively hosted their video content themselves, as opposed to using an outside hosting service like YouTube and posting the videos on their websites. Even for the ABC affiliate in Elmira, N.Y. WENY, which featured some videos that were hosted on YouTube, many of the video clips found on the homepage were hosted by the site itself. This indicates that even smaller local TV stations have invested in hosting their video content on the web themselves.

Hosting video is expensive, especially if audiences move their news viewing away from the television to the internet. Nevertheless, hosting one's own content also allows for far more flexibility and allows the organization to keep all the revenue from any video advertising (revenue they have to share for content on YouTube or other sites).

Mobile Apps

The vast majority of these video news organizations embraced mobile. Fully 26 of the 32 stations had an app available in the iTunes Store, and 25 had an app available in the Google Play Store. The video offerings of these apps, however, differed.

Twenty-five of the 32 stations had apps in the Google Play Store, and 24 offered the option to watch video. An additional 13 offered the option to watch live broadcasts, which is more costly for the news producer and requires more powerful devices on the part of the user.

In addition, of the 26 that had apps available in the iTunes Store, 23 offered the ability to watch video, and 12 offered the ability to live stream video.

YouTube Channels

Having a dedicated channel on YouTube requires staff to maintain the content. Among local TV stations studied here, most have decided to make that investment. Eighteen of the 32 local TV sites had channels on YouTube and posted their video content there. All of the national outlets also had YouTube channels.

While 18 of the 32 local TV sites had YouTube channels, subscribers to these channels varied sharply. The number of subscribers ranged from just over 4,000 at WTNH in Connecticut to only eight at KURL in Montana. Even among many of the local TV stations that did have a YouTube channel, many appeared inactive.

To put those subscribers in perspective with national news outlets, CNN had 408,675 subscribers, and Vice Media had 4.4 million.

Mobile Live Stream of WSBTV



PEW RESEARCH CENTER

Methodology

The data for this report were collected in three main parts: original survey work conducted by the Pew Research Center, an original content audit of websites of local and national television news outlets, and secondary aggregation and analysis by Pew Research Center of data generated by other researchers or organizations.

For the secondary analyses, original sources are cited throughout the report. We studied the data closely to determine where elements reinforced each other and where there were apparent contradictions or gaps. In doing so, the Pew Research Center's Journalism Project endeavored to determine the value and validity of each data set. That in many cases involved going back to the sources that collected the research originally. Where data conflicted, we have included all relevant sources and tried to explain their differences, either in footnotes or in the narrative. We also sought insight from outside experts. Those readers raised questions, offered arguments and questioned data where they saw fit.

For the two areas of original research, detailed methods follow below.

Surveys

Digital News Participation, Omnibus Survey, Feb. 27 - March 2, 2014

The Princeton Survey Research Associates International (or PSRAI) February 2014 Omnibus Week 4 survey obtained telephone interviews with a nationally representative sample of 1,002 adults living in the continental United States. Telephone interviews were conducted by landline (500) and cellphone (502, including 272 without a landline phone). The survey was conducted by Princeton Survey Research Associates International. Interviews were done in English and Spanish by Princeton Data Source from Feb. 27 to March 2, 2014. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ± 3.6 percentage points.

Online Video Watching

2013, Omnibus Survey, July 25-28, 2013

The PSRAI July 2013 Omnibus Week 4 obtained telephone interviews with a nationally representative sample of 1,003 adults living in the continental United States. Telephone interviews were conducted by landline (501) and cell phone (502, including 230 without a landline phone). The survey was conducted by Princeton Survey Research Associates International. Interviews were done in English by Princeton Data Source from July 25 to 28, 2013. Statistical results are weighted

to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ± 3.6 percentage points.

2009 Omnibus, June 18-21, 2009

The 2009 June Omnibus Survey obtained telephone interviews with a nationally representative sample of 1,005 adults living in the continental United States. The survey was conducted by Princeton Survey Research International. The interviews were conducted in English by Princeton Data Source from June 18 to 21, 2009. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is $\pm 3.6\%$.

2007 Tracking Survey, Feb. 15-17, 2007

This report is based on the findings of a daily tracking survey on Americans' use of the internet. The results in this report are based on data from telephone interviews conducted by Princeton Survey Research Associates from Feb. 15 to March 7, 2007, among a sample of 2,200 adults, 18 and older. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling and other random effects is ± 2.3 percentage points. For results based on internet users, the margin of sampling error is ± 2.8 percentage points. In addition to sampling error, question wording and practical difficulties in conducting telephone surveys may introduce some error or bias into the findings of opinion polls.

Content Audit of News Websites

Pew Research Center staff audited 39 websites for the content analysis portion of this study -- 32 local TV stations and 7 national news outlets. The sites were chosen to reflect local TV stations in small, medium and large markets, in all five regions of the country to represent affiliates of all major networks. They were:

Station or Channel

WFLD Chicago
 KHOU Houston
 WTNH New Haven,
 Connecticut
 WDSU New
 Orleans
 KHON Honolulu
 WCSC Charleston,
 South Carolina
 KTKA Topeka,

Kansas
KTUU Anchorage,
Alaska
KXVA Abilene,
Texas
KCLO Rapid City,
Iowa
KCBS Los Angeles
WSB Atlanta
WTVJ Miami
KVVU Las Vegas
Nevada
WFRV Green Bay,
Wisconsin
WBND South Bend,
Indiana
KGET Bakersfield,
California
KDFX Palm
Springs, California
WABI Bangor,
Maine
KTVZ Bend, Oregon
WENY Elmira, New
York
WABC New York
WCAU Philadelphia
KMSP Minneapolis
WBNS Columbus,
Ohio
WEAR Mobile,
Alabama
WAND
Champagne,
Illinois
KNIN Boise, Idaho
KCNC Denver
WOAY Beckley,
West Virginia
KURL Billings,
Montana
KNYF Watertown,
New York
CNN
Fox News
MSNBC
Al Jazeera
NBC
ABC
CBS

Each site was studied for a number of different elements. The total sample was divided into thirds (one third for each researcher on the project). A third of the sites were then examined beginning on Friday, Dec. 13; the next third on Monday, Dec. 16; the next third on Thursday, Jan. 2; then Tuesday, Jan. 7, and finally on Wednesday, Jan. 15. The purpose was to create a constructed five-day “week” spread out over the course of five weeks. The goal was to code each site on the list twice and to correct for any changes to the site or large news events that occurred during that time period.

- 1) Researchers counted the total number of links and the total number of videos on the homepage. The percentage of video was then calculated by dividing the number of videos by the total number of links present on the homepage.
- 2) Did the site have a dedicated video section on the homepage? Researchers looked at the homepage of each site to determine if the site had a dedicated section devoted to video content.
- 3) Was the video on the channel’s website being hosted by another service, for example YouTube, Vimeo or Dailymotion, or was it hosted by the channel itself? (All of the channels studied here it was the latter, they hosted the video themselves.)
- 4) Could the video be accessed in any of the following ways: iPhone app, Android app, Windows mobile app, BlackBerry app, iPad app, on Hulu, on Vimeo, on Dailymotion, on YouTube, or on Ustream? This variable reflects if the station or channel had its content on any other outside sites.
- 5) Was there an option to stream live broadcasts on the station or channel’s website? If the option was available did it require any kind of login or registration to do so?

¹ Data caps are limits imposed by broadband internet companies like Comcast and most wireless providers like Verizon that limit the amount of data an individual can use monthly.

About This Report

BY PEW RESEARCH CENTER: JOURNALISM & MEDIA STAFF

The State of the News Media 2014 is the eleventh edition of an annual report by the Pew Research Center's Journalism Project examining the landscape of American journalism. This year's study includes special reports about the revenue picture for news, the growth in digital reporting, the role of acquisitions and content sharing in local news and developments around digital video.

In addition, it provides the latest audience, economic, news investment and ownership trends for key sectors of news media, including a new, searchable [Media & News Indicators database](#). It includes a slideshow about social media and news, and an infographic about the Hispanic news landscape.

The Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping America and the world. Its Journalism Project seeks to assess the state of news and information in a changing society. The center conducts public opinion polling, algorithmic analysis, demographic studies, media content analysis and other empirical social science research. Pew Research does not take positions on any of the issues it covers or on policy debates.

Many individuals contributed to this report. Director of Journalism Research Amy Mitchell oversaw the effort, edited the chapters and wrote the overview and key indicators. Pew Research analysts and collaborators conducted data aggregation and also served as primary writers for specific chapters:

1. **The Revenue Picture for American Journalism and How it is Changing**— Jesse Holcomb, Senior Researcher
2. **News Video on the Web: A Growing, if Uncertain, Part of News**— Kenneth Olmstead, Research Associate Jesse Holcomb, Senior Researcher and Nancy Vogt, Researcher
3. **The Growth in Digital Reporting: What it Means for Journalism and News Consumers**— Mark Jurkowitz, Associate Director

4. **Acquisitions and Content Sharing Shape Local TV News in 2013**— Deborah Potter, President and Executive Director of NewsLab; Katerina Eva Matsa, Research Analyst
5. **Social Media and News Slideshow**— Katerina Eva Matsa, Research Analyst
6. **Timeline of Hispanic News Outlets**— Emily Guskin, Research Analyst and Monica Anderson, Researcher

Research Associate Jeffrey Gottfried and Research Assistant Maeve Duggan managed and analyzed the survey data. Katerina Eva Matsa served as the project manager. Pew Research President Alan Murray helped guide the project, and Director of Research Practices Claudia Deane and Director of Research Michael Dimock provided thoughtful feedback. Many Pew Research staffers provided communications, digital, editorial and graphics counsel and support including: Research Associate Jan Boyles; Editorial Web Producer Andrea Caumont; Administrative Manager Cheryl Elzey; Knowledge Management Specialist Shawn Fielding; and Senior Digital Editor Sara Goo; Web Developer Russell Heimlich; Graphics Director Michael Keegan; Communications Director Vidya Krishnamurthy; Communications Manager Dana Page; Senior Researcher Paul Hitlin, Director of Digital Strategy Michael Piccorossi; Art Director Diana Yoo, Informational Graphic Designer Jessica Schillinger; Web Production Coordinator Michael Suh; and Temporary Web Production Assistant Ben Wormald. Irv Molotsky and Molly Rohal copy edited report content.

We also want to thank several individuals who offered valuable feedback to various aspects of the report: Derek Baine, Joshua Benton, Rick Edmonds, Mark Fuerst, Ish Harshawat, Harry Jessell, Gabriel Kahn, Bob Papper, Deborah Potter, Paul Verna, Stacey Woelfel, Danilo Yanich, Fred Young. Their thoughtful insights and suggestions greatly improved the chapters.

Finally, the project could not have been completed without the extraordinary support, both financially and personally, of the Pew Charitable Trusts, particularly Rebecca Rimel, whose idea this report was in the first place.



PewResearchCenter

Journalism & Media

MENU

RESEARCH AREAS

MARCH 26, 2014

State of the News Media Methodologies

BY PEW RESEARCH CENTER: JOURNALISM & MEDIA STAFF ([HTTP://WWW.JOURNALISM.ORG/AUTHOR/JOURNALISMSTAFF/](http://www.journalism.org/author/journalismstaff/))

The State of the News Media report uses a host of different methodologies from data aggregation to original survey work to content analysis to first-person interviews. The wealth of methods helps provide the clearest sense of what is occurring around each research question. The detailed methodologies for the chapters included in this year's State of the News Media are below. The methodologies are also attached to the report itself.

State of the News Media 2014 Key Indicators in Media & News

The data for the State of the News Media 2014 Key Findings in Media & News consists of data originally generated by other people or organizations that the Pew Research Center then collected and aggregated.

For the data aggregated from other researchers, the Pew Research Center's Journalism Project took several steps. First, we tried to determine what data had been collected and by whom for the media sectors studied. In many cases, this included securing rights to data through license fees or other means, and often including paying for use of the data.

Next, we studied the data closely to determine where elements reinforced each other and where there were apparent contradictions or gaps. In doing so, the Pew Research Center's Journalism Project endeavored to determine the value and validity of each data set. That, in many cases, involved going back to the sources that collected the research in the first place. Where data conflicted, we have included all relevant sources and tried to explain their differences, either in footnotes or in the narratives.

All sources are cited in footnotes or within the narrative.

The Revenue Picture for American Journalism, And How it is Changing

The job of piecing together the dollars currently supporting U.S. journalism is a complicated one. The revenues analyzed in this report include earned revenue from advertising (both legacy and digital), audience payments, smaller streams like events, marketing services and content licensing or syndication, as well as financial support from philanthropic organizations, individuals and private capital. More difficult to account for are capital investments from companies, many of them technology firms, into original newsgathering under their own roof. Researchers collected solid revenue information where available and sought out estimates when necessary, although in some cases even estimates were not offered by these companies. For many segments, the latest available year-end data come from 2012. Where possible we have included year-end 2013 figures.

The sources of data include research firms, trade associations and news organizations themselves. Some media sectors, particularly legacy and institutional ones such as newspapers and cable TV, offer more detailed data going many years back. In other sectors, like print magazines and local TV, long-standing accounting practices make it difficult to separate out news revenues from broader corporate figures, but we have done our best to do so here. And the arena of news reporting native to the digital space—whose contours continue to evolve—offers little in the way of tidy economic data, especially within digital companies where journalism is but one part of a broader content portfolio. Data from these sources often came via publicly available third-party estimates and self-reported figures found in published news reports. Not included in this accounting are digital technology firms like Google and Facebook that have become deeply entwined in the distribution of news, but do not produce their own original, professional reporting. And given this report's focus on the general news audience, custom information platforms and the specialty subscription publications such as Bloomberg or Crain's were not studied here.

Past editions of the State of the News Media included deep analysis of how individual media sectors fund their operations. All of that data are still available in our Media & News Indicators database (<http://www.journalism.org/media-indicator-tags/>).

News Video on the Web: A Growing, If Uncertain, Part of News

The methodology for this report can be found here (<http://www.journalism.org/2014/03/26/methodology-56/>)

The Growth in Digital Reporting: What it Means for Journalism and News Consumers

The data Pew Research used to track the shifting job market in news came from several sources. The staffing data for the 30 larger native digital organizations came primarily from interviews—conducted both via phone and email—with representatives of 28 of the 30 organizations. The staffing information for the remaining two outlets came from media accounts. The staffing data from the universe of smaller sites was derived by merging five lists totaling more than 500 digital news organizations. That figure that was whittled down to 438 when duplicate outlets and sites that were not applicable or about which little data could be found were discarded. The staff numbers for the individual sites came from survey results, information collected by those compiling the lists and staffing levels listed on outlet websites. The job numbers from legacy media outlets came from data compiled by the American Society of Newspaper Editors, Ad Age, the Radio Television Digital News Association and Hofstra University and Pew Research data.

A Boom in Acquisitions and Content Sharing Shapes Local TV News in 2013

Pew Research used a number of sources and data in order to analyze the local TV news landscape. Data on acquisitions and local TV ownership came from BIA Kelsey Media Access Pro database; data on news producing stations, local TV staffing numbers and the amount of news came from the annual Radio Television Digital News Association and Hofstra University surveys of local TV news directors; data on the number of joint service agreements derived from Danilo Yanich research at the University of Delaware. The local TV company data came from media accounts and individual company press releases and websites. Furthermore, the author conducted a number of interviews with media experts.

8 Key Takeaways about Social Media and News

This slideshow presents new data from a Pew Research Center phone survey (Feb. 27-March 2, 2014) and also includes data from the following reports produced by the Pew Research Center in 2014 in collaboration with the John S. and James L. Knight Foundation:

- **Social, Search and Direct.** March 13, 2013
- **Twitter Users Give Christie Negative Marks on Bridge Scandal.** Jan. 10, 2014
- **News Use Across Social Media Platforms.** Nov. 14, 2013.
- **Twitter News Consumers: Young, Mobile and Educated.** Nov. 4, 2013.
- **The Role of News on Facebook.** Oct. 24, 2013.
- **News Coverage Conveys Strong Momentum for Same-Sex Marriage.** June 17, 2013
- **After Newtown, Modest Change in Opinion about Gun Control.** Dec. 20, 2012.
- **In Social Media and Opinion Pages, Newtown Sparks Calls for Gun Reform.** Dec. 20, 2012.

Hispanic

The timeline of Hispanic-news outlets includes local newspapers and local television stations within the top-ten Hispanic metro regions the ten largest metropolitan areas by Hispanic population as identified by Pew Research Center's Hispanic Trends Project (<http://www.pewhispanic.org/2013/08/29/iv-ranking-latino-populations-in-the-nations-metropolitan-areas/>) and

national television outlets and online-only publications that launched since 2000. The metro areas include: Los Angeles-Long Beach, Calif.; New York-Northeastern N.J.; Houston-Brazoria, Texas; Riverside-San Bernardino, Calif.; Chicago, Ill.; Dallas-Ft. Worth, Texas; Phoenix, Ariz.; San Francisco-Oakland-Vallejo, Calif. and San Antonio, Texas. To create a list of publications within these areas, researchers consulted Advertising Age's 2013 annual report, CisionPoint (a software service with extensive media lists) and independent web research. A similar process was used to find outlets that serve a national audience. Next, researchers conducted an audit of these outlets from October 2013-February 2014.

Variables:

- **Year Launched:** Researchers determined the year of launch by searching the 'about' section of an outlet's website, supplemented by interviews with staffers and additional web searches.
- **Outlet Type:** Researchers distinguished between local and national outlets and newspapers, television stations or online-only outlets.
- **Ownership:** Researchers determined what company or person owned each outlet and then determined whether the company was tied to a general market media company, defined as a company that also owns an outlet that is geared to the U.S. population as a whole, not just Hispanic Americans. Or if the company is primarily focused on targeting Hispanic audiences.
- **Language:** Researchers counted the number of Spanish and English language stories on the websites' homepages. Then, by analyzing the ratio of Spanish to English stories, researchers determined if the site was predominately in English or Spanish. Researchers also looked for dual language options on the sites studied. In order to research the language variable, outlets must have a functioning website.

Local television stations in which researchers were unable to confirm if original local news was a part of its programming were not included here. Azteca América was not included in the timeline because it is owned wholly by a Mexican broadcaster. Outlets that focused on a specific niche were excluded. There were four outlets that researchers were unable to determine a launch date: La Prensa Los Angeles, New York Daily News Latino, Ultima Nota and La Prensa Hispana and therefore were not included.

Media & News Indicators Database

This consists largely of data originally generated by other people or organizations that the Pew Research Center then collected and aggregated. The data was then put into a chart format and the charts were organized by topic. The database can be viewed here (<http://www.journalism.org/media-indicator-tags/>).

